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United Nations

Executive Board of the United Nations Development Programme, the United Nations Population Fund and the United Nations Office for Project Services

Report of the Executive Board on its work during 2012

Economic and Social Council
Official Records, 2012
Supplement No. 15

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United Nations • New York, 2012

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Part one
First regular session 2012

Held at United Nations Headquarters in New York from 1 to 3 February 2012

I. Organizational matters

1. The first regular session 2012 of the Executive Board of UNDP, UNFPA and UNOPS was held at United Nations Headquarters, New York, from 1 to 3 February 2012. The President of the Board welcomed all delegations and thanked the members of the Board for the confidence placed in him. He thanked the outgoing President and the outgoing Bureau members for their leadership and commitment to the work of the Board. He congratulated the new members of the Bureau on their election. He noted that UNDP, UNFPA and UNOPS had an important role to play in the preparations for the upcoming United Nations Conference on Sustainable Development (Rio+20), and the quadrennial comprehensive policy review of the United Nations operational activities for development. He looked forward to rich and constructive deliberations during the Executive Board sessions in 2012.

2. In accordance with Rule 7 of the rules of procedure of the Executive Board, the Board elected the following members of the Bureau for 2012, at a meeting held on 9 January 2012:

President:	H.E. Mr. Mårten Grunditz	(Sweden)
Vice-President:	Mr. Tarik Iziraren	(Morocco)
Vice-President:	H.E. Mr. Yusra Khan	(Indonesia)
Vice-President:	Ms. Candida Novak Hornakova	(Czech Republic)
Vice-President:	Mr. Eduardo Porretti	(Argentina)

3. The Executive Board approved the agenda and workplan for its first regular session 2012 (DP/2012/L.1) and approved the report of the second regular session 2011 (DP/2012/1). The Board adopted the revised annual workplan for 2012 (DP/2012/CRP.1/Rev.1) and approved the tentative workplan for the annual session 2012.

4. Decisions adopted by the Executive Board in 2011 appear in document DP/2012/2, which can be accessed at www.undp.org/execbrd.

5. The Executive Board agreed in decision 2012/8 to the following schedule for future sessions of the Executive Board in 2012:

Annual session 2012:	25 to 29 June 2012 (Geneva)
Second regular session 2012:	4 to 10 September 2012

UNDP segment

II. Statement by the Administrator and programming arrangements

6. In her opening remarks to the Executive Board (available on the Executive Board website), the Administrator thanked the outgoing President and Vice-Presidents for their commitment and support throughout 2011 and congratulated the newly elected President and Vice-Presidents. She spoke of the dramatic developments of 2011, the rising spirit of change and the hope and inspiration it brought to millions.

7. She highlighted UNDP assistance in 2011 to countries in the Arab States region, supporting electoral processes, governance efforts, inclusive growth and empowerment of women and youth. She pointed to the successes of the UNDP crisis

response mechanism — SURGE — in ensuring rapid, timely deployment of assistance at a crucial time of transition in the region. She also noted UNDP nation-building work in South Sudan and humanitarian and development assistance in the Sahel region.

8. Looking ahead, the Administrator focused on opportunities for UNDP in 2012 to advance the development agenda. She highlighted the organization's role in areas prioritized by the Secretary-General in his Action Plan and its engagement in multilateral processes driving development cooperation: the MDG Acceleration Framework, the United Nations Conference on Sustainable Development (Rio+20), the post-2015 development framework and the quadrennial comprehensive policy review of the United Nations operational activities for development (QCPR). She stated the readiness of UNDP to work toward the development of 'sustainable development goals' in Rio+20, post-2015 and future fora.

9. UNDP was fully engaged with Executive Board members in refining the new strategic plan 2014-2017, the second review of the programming arrangements, the internal agenda for change and progress towards greater transparency and accountability. She touched on how the UNDP strategic plan 2014-2017 would position it as a leading development organization committed to delivering results. Introducing the second review of the programming arrangements 2008-2013 (DP/2012/3), the Administrator discussed the three options for eligibility and four models of criteria for allocation. She drew attention to UNDP work to better communicate its specific contribution through enhanced results reporting and stronger staff capacity.

10. She was pleased to update colleagues on the active engagement of UNDP in the International Aid Transparency Initiative, its recent top 10 rating in the inaugural Aid Transparency Index, the 1 January 2012 adoption of International Public Sector Accounting Standards (IPSAS) and its commitment to full disclosure of audit information by end 2012.

11. In their general comments, delegations encouraged UNDP to take full advantage of the QCPR process and approach it in tandem with its strategy for global development events such as the MDG Acceleration Framework, Rio+20 and more broadly the post-2015 development framework.

12. Delegations were pleased with the organization's progress and strategic direction as embodied in the three structural frameworks: the new strategic plan, integrated budget and agenda for organizational change. They made a board range of comments on: (a) issues surrounding UNDP resource allocation and funding situation in relation to programming arrangements; (b) the need for UNDP to seize opportunities through ongoing internal processes (strategic plan, agenda for change, integrated budget) and external processes (Rio+20, QCPR) in alignment with the Action Plan of the Secretary-General; and (c) the need to enhance efficiency, transparency and accountability in the context of broader United Nations reform. They looked forward to early discussions on those topics and requested details on milestones leading to development of the three structural frameworks.

13. On programming arrangements and resource allocation, delegations broadly agreed that UNDP should continue to focus on resource needs of low-income countries and least developed countries while adapting a differentiated approach to

middle-income countries (MICs), which, it was noted, varied greatly in their development conditions and needs.

14. Delegations were keen to learn more about the proposed eligibility options and allocation models but cautioned about making firm decisions on the proposed options or models at that time. In that regard, they reaffirmed that the three key principles — progressivity, predictability and universality — should continue to underpin programming arrangements.

15. Similarly, they requested more information on proposed allocations to programme activities other than those funded from target for resource assignment from the core (TRAC). In addition, they requested more information on UNDP proposals to include the United Nations Capital Development Fund in the programming arrangements and to establish a contingency fund. They emphasized the importance of demonstrating in the mock-up integrated budget how resources would link to the strategic plan.

16. Many delegations re-emphasized the importance of sustained predictable levels of voluntary contributions, cautioning that an unchecked decline in core resources would adversely impact the quality of United Nations development assistance and erode the organization's legitimacy in the long run.

17. On a related issue, delegations endorsed the need for flexibility in UNDP physical presence at the country level, agreeing it should be based on a country's specific development needs — not on a one-size-fits-all basis. They welcomed further elaboration of global strategic presence in line with discussions on the new strategic plan.

18. Delegations welcomed the call to expedite full public disclosure of audit information by having the Executive Board reach agreement by the annual session 2012. Many, however, stressed the need for appropriate safeguard measures and harmonized timelines for UNDP, UNFPA and UNOPS. A further request was made to ensure sufficient dialogue on that issue with the Board prior to the annual session 2012.

19. The Administrator thanked delegations for their comments and guidance for moving forward within the international development context, noting in particular the run up to Rio+20. She recognized the actions and commitment of many Executive Board members to balance economic and social development with safeguarding ecosystems. In that context, she stressed the importance of strengthening all three pillars — economic, social and environmental — in the future Rio+20 framework.

20. She stated that UNDP looked forward to engaging delegations in developing the QCPR and thanked them for their strong support for the internal change agenda. UNDP would continue to engage with Executive Board members in developing the strategic plan, reflecting the integrated budget, greater transparency and accountability, and audit disclosure.

21. The Administrator affirmed the organization's readiness to create and build on new strategic partnerships. She noted the pressure on core funding and emphasized UNDP appreciation for the continuing support of Executive Board members for core resources at a time of considerable fiscal stringency for many. She reiterated the importance of funding in making UNDP more strategic and forward-looking.

22. Responding to the debate on programming arrangements, the Associate Administrator stressed the importance of the link between the strategic plan, integrated budget, which would subsume the programming arrangements, and agenda for organizational change. She indicated that informal discussions on the programming arrangements and related matters would continue leading up to the annual session. The Associate Administrator reiterated three key points that would shape future discussions: (a) high priority given to physical and programmatic presence in low-income countries; (b) continued engagement in MICs; and (c) further thought and analysis on how to engage best with MICs. On the issue of the three eligibility options and four allocation models, she requested continued Executive Board guidance on how to narrow down the number of options and models so UNDP could provide more information and in-depth analysis to the Board for decision-making.

23. The Executive Board adopted decision 2012/1: Review of programming arrangements, 2008-2013.

III. Gender in UNDP

24. The Associate Administrator presented the oral report of the Administrator on the implementation of the UNDP gender equality strategy, describing the main intervention areas for each goal: (a) poverty reduction and achieving the MDGs, including addressing the gender dimensions of HIV/AIDS; (b) democratic governance; (c) crisis prevention and recovery; and (d) managing climate and environment for sustainable development. She discussed institutional measures UNDP was taking to ensure it delivered on gender equality results, such as the gender marker and work of the Gender Steering Implementation Committee. She also touched on the positive relationship between UN-Women and UNDP and implementation of the gender parity policy within UNDP.

25. Delegations welcomed the Administrator's oral report as well as the efforts to mainstream gender equality in projects and programmes. They commended UNDP for advancing gender equality and women's empowerment objectives as outlined in the development results of its gender equality strategy. They were pleased that UNDP had delivered on the institutional results through the Gender Steering and Implementation Committee and the gender marker. They commended UNDP management for its commitment to greater accountability for gender equality at the corporate and country levels and encouraged it to strengthen its efforts further.

26. Several delegations requested clarification on the status of the 2011 midterm review and implementation of its recommendations as well as an update on progress toward gender parity within UNDP and its challenges, especially in middle management. They urged UNDP to strengthen gender equality in the areas of human resources and personnel. Noting the decline in the percentage of funds making a significant contribution to gender equality, they stressed the need to integrate gender equality in its programmes and projects.

27. Delegations asked to receive background documentation well in advance of sessions and requested elaboration in future reports on women's participation in politics, peace negotiations, peacebuilding and reconstruction where they saw UNDP playing a central role. Pleased to see discussion of women's economic empowerment, they wished to learn about plans to integrate gender perspectives in

UNDP contributions to global efforts to achieve sustainable development. They looked forward to a future UNDP gender equality strategy, which should inform and accompany the UNDP strategic plan.

28. Delegations encouraged UNDP to forge a stronger partnership with UN-Women to enhance respective comparative advantages and ensure results at the country level. UN-Women, they noted, provided a powerful global voice for women's empowerment and gender issues while UNDP had an extensive global presence. They encouraged UNDP to enhance dialogue with UN-Women on operational activities, thematic activities and country level gender capacity and coordination.

29. Several delegations requested more information on lessons learned at the country level in applying gender equality within an inter-agency coordination setting. They requested information on what UNDP was doing within the organization to bring about behavioural and attitude changes on gender equality and how that was being reflected in results frameworks. They wished to know how UNDP was using the gender marker to assess results and inform planning.

30. The Associate Administrator thanked delegations for their comments and noted in response to the downturn in gender marker figures that UNDP had made the gender marker a key component of its system-wide planning, reporting and monitoring. Through the Gender Steering and Implementation Committee, UNDP was following up with each bureau to find a solution to the downturn and reverse the trend. On country programme documents, she assured delegations that UNDP was in the process of applying quality control measures, revising them to ensure they focused on results planning, monitoring and reporting for gender equality.

31. She noted that UNDP was following up regularly with its partners in peacebuilding and post-conflict to ensure women's participation in peace negotiations. On economic empowerment, she stressed that based on evidence to support its actions UNDP was focusing on women's economic empowerment as a primary entry point for women's political empowerment.

32. On inter-agency coordination, she emphasized the good working relationship between UNDP and UN-Women, noting that both were keen on collaborating with United Nations organizations to maximize comparative advantages to the benefit of women globally.

33. Noting that UNDP was successfully implementing gender in its planning and results framework, she highlighted that UNDP was focusing on training staff and management on gender-focused planning, monitoring and reporting to track and ensure results. She informed delegations that the midterm review had been used to inform the current and future strategic plans.

34. The Director of the UNDP Gender Team focused her response on two issues: (a) gender marker and possibility of using one gender marker for the whole United Nations system; and (b) gender attitudes and gender within the workplace. She assured delegations that UNDP, pioneer of the gender marker, was co-convening an inter-agency task force on the gender maker and had trained a number of agencies on its use. The task force was also exploring ways to harmonize the tool. UNDP was working closely in that effort with UN-Women, which would take the initiative forward once a harmonized tool was developed. On gender attitudes within UNDP, she assured delegations that UNDP was looking closely at its workplace policies to

ensure they encouraged and strengthened a culture of gender equality, especially at the country level.

35. The Executive Board adopted decision 2012/2: Oral report of the Administrator on the implementation of the UNDP gender equality strategy and action plan.

IV. Country programmes and related matters

36. The Associate Administrator introduced the item, noting that 18 country programmes discussed at the second regular session 2011 were ready for approval on a no-objection basis. She introduced for Executive Board approval the country programme document (CPD) for the Republic of South Sudan (DP/DCP/SSD/1) and gave the Board an overview of continuing UNDP work to improve programming quality. The Deputy Regional Director, Regional Bureau for Africa, in turn gave a detailed account of UNDP work with its partners to support the Republic of South Sudan as laid out in the CPD.

37. Discussions focused on the CPD for the Republic of South Sudan. Pointing to the immense challenges the country faced, delegations commended UNDP for developing a country programme aligned with national priorities and the national development plan. They noted that the CPD was an interim programme to be followed up in 2012-2013 by a joint assessment and development of a common country programme, which they strongly welcomed. They stressed the importance of national ownership and the Government's leadership role, especially on security, and discouraged United Nations parallel processes.

38. A number of delegations underlined the need for strong coordination between United Nations organizations when developing the joint assessment in collaboration with international partners and better coordination between country teams in Khartoum and Juba. They stressed the importance of contingency planning, risk mitigation, and a coordinated approach to humanitarian, recovery and development, especially with the United Nations Mission in South Sudan (UNMISS). In that regard, they encouraged UNDP to adhere to a more flexible structure to ensure easy adaptability to potentially changing local conditions.

39. They urged UNDP and the United Nations system to conduct independent evaluations on a regular basis, in addition to agency-specific evaluations, and encouraged UNDP to improve monitoring and reporting. Delegations underlined the need to better capture the full complexity of the 'returnees' issues, including through a gender perspective. They requested that future reporting include gender and sex-disaggregated analysis.

40. While commending UNDP for mainstreaming gender in the country programme, one delegation noted gender was not sufficiently mainstreamed in the transitional results framework. Recognizing the quality of the results framework, it noted that baseline data were missing for some indicators and risk assessment and mitigation were weak. On funding it noted that budget allocations were below what was required and asked what the perspectives were for raising funds needed, especially for United Nations Development Assistance Framework outcome 1 on governance.

41. To avoid duplication and fragmentation, delegations stressed the need for prioritization and identification of roles and responsibilities. They encouraged UNDP to use the guidelines and principles for engagement in fragile states laid out at the Fourth High-level Forum on Aid Effectiveness in Busan.

42. The Deputy Regional Director, Regional Bureau for Africa, thanking delegations for their comments, said that UNDP would report back to the Executive Board on mainstreaming and implementation of gender, using gender and sex-disaggregated analysis. He stated that UNDP was working closely with UNMISS and United Nations organizations focusing on their comparative advantages in order to address gaps and overlaps.

43. Concurring that data collection remained an important challenge, he said UNDP was working with the Government to help build national capacity to gather reliable, timely data. UNDP was focusing on building the capacity of planning ministries, working with the donor community. He affirmed that UNDP would undertake independent evaluations in line with standard practice.

44. The Associate Administrator, thanking delegations, highlighted that UNDP had made progress in the areas of risk analysis and management, as reflected in the CPD, but close monitoring of the situation was necessary. She assured the Executive Board that UNDP was following South Sudan closely and would ensure flexibility and monitoring. Noting that analysis had shown that fragmentation tended to occur in low-income countries, UNDP had taken steps to ensure the CPD was targeted and strategic, focusing on areas where it had a comparative advantage.

45. On the budget, she highlighted that UNDP core resources allocated to programme countries had matched their needs; country offices were generally on target in gauging pipeline projects and financial requirements to achieve results. She emphasized that UNDP was fully committed to coordinating with humanitarian partners, drawing attention to the stronger relationship between UNDP and UNHCR.

46. The Executive Board approved the following 18 country programmes discussed on a no-objection basis, without presentation or discussion, in accordance with decision 2006/36: (Africa region) Cape Verde (common country programme), Central African Republic, Gambia, Malawi, Mozambique; (Asia and the Pacific States region) Islamic Republic of Iran, Lao People's Democratic Republic, Papua New Guinea (common country programme), Thailand, Viet Nam (common country programme); (Arab States region) Algeria and Yemen; and (Latin America and the Caribbean region) Brazil, the Dominican Republic, Guyana, Panama, Peru and Suriname.

47. In accordance with decision 2011/40, the Executive Board also approved the country programme document for South Sudan on an exceptional basis.

UNFPA segment

V. Statement by the Executive Director and financial, budgetary and administrative matters

48. In his statement (available at www.unfpa.org/public/home/news/pid/9946) the Executive Director presented highlights of UNFPA work in 2011 (including a short

video) and the priorities for 2012 in terms of implementing the strategic plan and the business plan. He elaborated on UNFPA and the new development agenda; accountability; staff safety and security; and the Fund's financial status. He introduced the institutional budget estimates for 2012-2013 (DP/FPA/2012/1); the revision of the UNFPA financial regulations and rules (DP/FPA/2012/3); and the report of the Advisory Committee on Administrative and Budgetary Questions (ACABQ) on the institutional budget estimates for 2012-2013 and the revision of the UNFPA financial regulations and rules (DP/FPA/2012/2). He underscored that with two years to deliver on the current strategic plan and the business plan, it was critical to successfully position UNFPA and its mandate in the context of the emerging agenda on sustainable development leading up to the United Nations Conference on Sustainable Development (Rio+20) and the International Conference on Population and Development (ICPD) beyond 2014 review. He stated that these were unique opportunities to strategically position UNFPA priorities at all levels of the organization. He underscored that strengthening accountability remained his number one institutional priority for the organization. He thanked all the Member States for their support. (A short video from the world of 7 Billion Actions campaign was shown.)

49. Delegations appreciated the Executive Director's insightful statement and commended UNFPA for its work in supporting countries in implementing the ICPD Programme of Action and its rights-based approach. It was noted that the Fund's mandate was essential for achieving the Millennium Development Goals. The importance of indicating concrete and quantitative results in maternal health in supported countries was stressed. Numerous delegations underscored the importance of UNFPA support for such key areas as sexual and reproductive health (SRH) and reproductive rights; population and development; and gender equality. They welcomed the Fund's focus on addressing the needs of youth. Delegations emphasized the continuing need to reduce maternal mortality; support family planning; and address sexual and gender-based violence, including in conflict and post-conflict settings. The second-generation strategy on humanitarian response was commended. The Fund's leadership role in promoting SRH and reproductive rights over nearly four decades was recognized. UNFPA efforts to enhance programme effectiveness were also commended.

50. Numerous delegations emphasized that the focus of UNFPA work should be in the least developed countries (LDCs) where the needs were the greatest. The vulnerability of LDCs and their need for technical know-how and financial resources were underscored. Several delegations commended UNFPA for supporting partnerships with middle-income countries. Some delegations stated that greater attention should be paid to countries facing population decline. Interest was expressed in hearing more about the plans to introduce strategic knowledge hubs and some delegations asked how these were envisaged in Eastern Europe and Central Asia. The importance of South-South cooperation was emphasized by several delegations. They also stressed that it should not substitute for North-South cooperation. Some delegations encouraged UNFPA to continue collaborating with UN-Women in such areas as gender equality and HIV prevention.

51. Numerous delegations commended UNFPA on its open and inclusive approach in presenting the institutional budget. They noted that the results-based approach allowed donors and other Member States to assess revenue and expenditures against intended and achieved results. Some delegations stated that they shared the

appreciation of ACABQ regarding the progress made by UNFPA in implementing the International Public Sector Accounting Standards (IPSAS) and related initiatives such as the revision of the UNFPA financial regulations and rules. While commending UNFPA for aligning the changes in the financial regulations and rules with the comments of ACABQ and the United Nations Office of Legal Affairs, one delegation appreciated the offer for an ongoing dialogue on certain issues at hand.

52. Numerous delegations welcomed the reduction in management costs and the increase in the proportion of funds available for programme implementation. Noting that the cost reduction was an important step towards efficiency, delegations added that the use of common premises and common services could yield further efficiencies and savings. Several delegations welcomed the strengthening of support to field offices that would in turn result in better programme delivery at country level. The strengthening of the field presence and the creation of a second regional office in Africa were welcomed by delegations, particularly given the number and complexity of programmes in the region. UNFPA was asked to continue its work to reduce vacancy rates.

53. Delegations looked forward to the development of the single integrated budget in 2014 and welcomed the Fund's adoption of the new cost classification format as agreed with UNDP and UNICEF. They also looked forward to the joint review of cost-recovery rates with UNDP and UNICEF. Some delegations asked if funds from the institutional budget would be allocated to the humanitarian policy, technical and sub-cluster lead support activities. They requested more detailed reporting on humanitarian activities and expenditures from all funding sources.

54. Delegations stressed the importance of local safeguards and regular monitoring from headquarters to ensure proper financial and administrative checks and balances. UNFPA was asked to continue giving attention to reducing risk and strengthening the stewardship of resources, including the monitoring of the national execution (NEX) modality. It was hoped that additional programmatic resources would be distributed to the six countries that accounted for half of global maternal mortality. Several delegations appreciated the information provided on contributions to UNFPA from the private sector and welcomed the Fund's partnerships with non-traditional donors. They encouraged UNFPA to explore the fund-raising experiences and good practices of other United Nations organizations.

55. While appreciating the update on the business plan, one delegation called for updates on each of the 15 recommendations and hoped to see additional emphasis on evidence-based planning. Commending the Fund's commitment to transparency and accountability, the delegation urged that independent consultants be hired for the upcoming evaluation review so that the process would be unbiased. The delegation also encouraged an increase in transparency regarding the global and regional programme budget. The delegation added that the evaluation function should be independent of programme units to preserve the objectivity and reliability of the evaluation work.

56. Several delegations encouraged UNFPA to continue to fully engage in preparations for the upcoming Rio+20 conference and noted that demographic issues should have a place in the Rio+20 document. They underscored that social issues such as population and reproductive health, including family planning, were important components of sustainable development, which was a people-centred concept.

57. The Executive Director thanked the delegations for their encouraging comments and their support for the UNFPA mandate. He underscored that the Fund's strategic focus on SRH, including family planning, was driven by country needs and central to it was a focus on ensuring that women and young girls were empowered. He emphasized that UNFPA was committed to addressing the needs of young people. He noted that delegations had brought to the fore the integration of social and demographic concepts in the sustainable development agenda in Rio+20 and beyond. He stated that the way forward was to integrate population dynamics in a holistic way in the Rio+20 document. He was encouraged by the Executive Board's feedback regarding the Fund's collaboration with the private sector. He also appreciated the feedback concerning South-South and triangular cooperation. He assured the Board that UNFPA was responding both to population growth in LDCs and population decline in other countries. He emphasized that SRH and reproductive rights cut across all parts of the world. Indeed, UNFPA was responding to various aspects of population dynamics, including ageing and migration. The Fund was also continuing its work on preventing gender-based violence. He observed that the Board had commended UNFPA for being in the forefront of Delivering as One. Regarding the continuing collaboration with UN-Women, he noted that recently he and the UN-Women Executive Director had sent a letter to all their field offices regarding the cooperation amongst the two organizations and the areas for which each organization would be held accountable.

58. The Executive Director appreciated that the Executive Board members were pleased that the UNFPA institutional budget reflected reduced administrative costs and increased resources for programme implementation. The Executive Director underscored that UNFPA was committed to measuring and registering strong results. He assured the Board that UNFPA would utilize its resources efficiently and would work effectively to garner increased support from traditional and non-traditional donors. Concerning the global and regional programme, he noted that UNFPA was already addressing various issues raised in the audit and was streamlining the programme to show results on investments. He stated that UNFPA was working closely with UNDP and UNICEF on a harmonized approach to the integrated budget. Also, UNFPA would continue the dialogue with the Board and with UNDP and UNICEF regarding cost recovery.

59. The Executive Director stated that the recruitment of the Director, Division for Human Resources, had been completed and the new Director would accelerate the plan for human resources, including the filling of vacancies. The Executive Director noted that to address audit issues he had set up an audit committee that he chaired and which met every month. UNFPA had also engaged a global audit firm to assist with NEX audits. Training concerning national execution had been developed. UNFPA was committed to NEX and to assisting countries in enhancing effective management of programmes. Concerning evaluation and the need for independence, he noted that the Division for Oversight Services (DOS) was the evaluation unit for the Fund and was zealously independent. He stated that DOS had been strengthened in response to the Executive Board's request. Furthermore, as recommended by the Board, UNFPA had initiated a process for an independent review of the evaluation policy. In conclusion, the Executive Director assured delegations that UNFPA would continue its open and transparent engagement with the Board.

60. The Executive Board adopted decision 2012/3: UNFPA institutional budget estimates for 2012-2013; and decision 2012/4: UNFPA financial regulations and rules.

VI. Internal audit and oversight

61. The UNFPA Executive Director outlined the internal business plan to address the recommendations in the report on internal audit and oversight activities in 2010 (DP/FPA/2011/5) and ensure that UNFPA delivered on its strategic plan with efficiency, effectiveness and full accountability. Underscoring that accountability was his number one institutional priority for UNFPA, he noted that the organization was making good progress in increasing transparency and addressing the audit recommendations. He elaborated on the seven priority areas of the business plan and noted that a Fund-wide communications strategy would be implemented to increase collaboration between UNFPA headquarters, regional offices and country offices. Furthermore, he elaborated on key steps already taken to move the organization forward, including sharpening the focus of the strategic plan; establishing an audit monitoring committee; revising the letter of understanding signed with implementing partners; revising the national execution audit terms of reference; streamlining management and operations; and making the organization compliant with the International Public Sector Accounting Standards (IPSAS).

62. The Deputy Director, Division for Oversight Services, (DOS), noted that the 15 DOS recommendations had been factored into resetting UNFPA priorities and in establishing the business plan to operationalize those priorities. Some actions had been undertaken and several actions still needed to be taken. DOS would be in a position to validate the implementation of the business plan during the course of the next 12 to 24 months. The Deputy Director informed the Executive Board that a list of all reports issued by DOS was available on its website and may be accessed in accordance with Executive Board decisions and directives. Also, the facility for remote electronic viewing of reports was now functional.

63. Regarding the business plan, one delegation asked about the timeline, prioritization and targets for following up on the recommendations of the DOS report on internal audit and oversight. One delegation inquired about changes in reporting lines and their implications for the UNFPA organization chart. While expressing satisfaction that accountability was a top priority at UNFPA, one delegation asked if the IPSAS rollout had had a direct impact on the rollout of the business plan. The same delegation inquired about the alignment of DOS with the business plan and also inquired about the status of fraud investigations and the cases that were being followed up.

64. The Executive Director thanked the delegations for their comments and noted that the business plan process had been shared earlier with the Executive Board members at an informal meeting and was also available on the website. He stated that the Board would get an update on the business plan implementation. He observed that IPSAS implementation had been phased in and complemented the business plan. Furthermore, the Board of Auditors had stated that UNFPA was IPSAS-ready. Regarding the UNFPA organization chart, he noted that the procurement and management information systems units would now report to the Deputy Executive Director (Management), instead of the Division for Management

Services. Also, the Legal Unit would report to the Office of the Executive Director, instead of the Division for Human Resources (DHR), to avoid any conflict of interest in investigations. He announced the appointments of the new Director of DOS and the new Director of DHR.

65. The Deputy Director, DOS, noted that the business plan was factored into the audits that would be undertaken by DOS, based on the risk model. Furthermore, all 15 recommendations made by DOS in its earlier report (DP/FPA/2011/5) had been factored into the business plan. Regarding the query on fraud investigations, she noted that an electronic system was under implementation to detect fraud or potential fraud. Also, further information would be contained in the DOS report to be submitted at the annual session 2012.

VII. Country programmes and related matters

66. In accordance with decision 2006/36, the following 17 country programmes, which were discussed earlier at the second regular session 2011, were approved by the Executive Board on a no-objection basis, without presentation or discussion: Cape Verde, Central African Republic, Chad, Gambia, Malawi and Mozambique from the Africa region; Algeria and Yemen from the Arab States; Iran (Islamic Republic of), Myanmar, Papua New Guinea, Thailand and Viet Nam from Asia and the Pacific; and Brazil, Dominican Republic, Panama and Peru from Latin America and the Caribbean. In addition, in accordance with decision 2011/40, the Board approved, on an exceptional basis, the country programme document for South Sudan. As called for in decision 2011/40, the Board had discussed the draft country programme document at an informal consultation prior to the first regular session 2012.

67. Numerous delegations commended the rapid and timely presentation of the South Sudan country programme and encouraged strong cooperation between the different United Nations organizations involved in developing a comprehensive transition analysis. They emphasized the importance of conducting independent evaluations; collecting and utilizing lessons learned; selecting priorities carefully; improving project management and reporting; avoiding parallel processes; undertaking regular contingency planning; continuing relief and humanitarian assistance; and taking into account an integrated approach with respect to sexual and reproductive health, gender equality, and population and development. The importance of national ownership and national capacity development was stressed. The delegations encouraged UNFPA and the other United Nations organizations to use the guidelines and principles for engagement emanating from the Fourth High-level Forum on Aid Effectiveness.

68. In underscoring the formidable challenges faced by South Sudan, one delegation noted that the country had the highest maternal mortality ratio in the world and some of the poorest health indicators. The delegation commended the programme for being aligned with national priorities as well as the priorities set out in the United Nations Development Assistance Framework (UNDAF), including in the important areas of gender-based violence and reproductive health and rights. The delegation emphasized the following as being important for programme implementation: following up on the joint priorities of the UNDAF through coordination and collaboration with other United Nations agencies; adapting

flexible solutions to local conditions; strengthening the country office; and addressing the need for baseline data to monitor progress and report on results. The need for good cooperation within the humanitarian cluster and the need to emphasize risk assessment and risk mitigation in programme planning and implementation were underlined.

69. The delegations of Algeria, Myanmar and Viet Nam thanked the Executive Board for the approval of their respective country programmes. They appreciated the support provided by UNFPA and other partners and were satisfied that the programmes reflected national plans and priorities.

70. The Director, Africa Regional Office, UNFPA, thanked the delegations for their comments and noted that United Nations coordination in South Sudan was strong. He stated that addressing gender-based violence was an important part of the UNFPA-supported programme in South Sudan. Concurring that South Sudan had some of the poorest health indicators in the world, he stressed that the attention of all agencies was required to address the issues. He agreed that priority setting was essential, given the many challenges faced by the country. He assured the Executive Board that action would be taken to address the issues underscored by Board members, including regarding missing information on risk assessment and risk mitigation, baseline data, and independent evaluation.

UNOPS segment

VIII. Statement by the Executive Director and financial, budgetary and administrative matters

71. The Executive Director, UNOPS, presented the revision of UNOPS financial regulations and rules (DP/OPS/2012/1), including annexes 1 and 2, and the report of the Advisory Committee on Administrative and Budgetary Questions (ACABQ) on the revision of UNOPS financial regulations and rules (DP/OPS/2012/2). He noted that the revisions were needed to ensure UNOPS compliance with the International Public Sector Accounting Standards (IPSAS).

72. In his statement, the Executive Director summarized UNOPS achievements in 2011, ongoing activities and future plans. He looked forward to working closely with Executive Board members throughout 2012, which would be an important year for the organization.

73. Reflecting on 2011, he pointed out that UNOPS had been active on the ground assisting partners to deliver more than 1,000 projects in areas of infrastructure development, mine clearing, health centre management, earthquake recovery, provision of shelter for flood victims and supporting fair elections in many countries.

74. Those interventions, he noted, were successful thanks in large part to UNOPS world-class management services recognized for their quality, speed and cost effectiveness. In that regard, he highlighted UNOPS International Organization for Standardization (ISO) 9001 certification in 2011 and the Chartered Institute of Purchasing and Supply certification for its procurement policies and procedures. He stated that UNOPS was launching a new initiative to obtain ISO 14001 certification of its environmental management systems, binding UNOPS to stringent standards

for infrastructure and procurement. To reach that goal UNOPS would focus on management reform, change management and learning both individually and institutionally.

75. As noted at the previous Executive Board session, UNOPS delivery in 2011 in financial terms had been below the record levels of 2010. The Executive Director noted that that change was mainly a result of varying annual procurement levels in middle-income countries, two of them in particular. He pointed out, however, that UNOPS delivery in least developed, conflict- and disaster-affected countries had been largely stable and in some cases increased.

76. Following its adherence to the International Aid Transparency Initiative (IATI) in October 2011, UNOPS was the first United Nations body to publish details of its activities in IATI format. He noted that UNOPS had already disclosed information on some 1,150 projects, including details on disbursement of almost $4 million. UNOPS, he affirmed, would continue to pursue greater transparency by geocoding its projects, publishing project documents and outputs while giving users tools to understand and use data. It was also developing standardized reporting formats for its core mandate areas of procurement, contract management and infrastructure development.

77. With regard to its strategic plan 2010-2013, the Executive Director stated that UNOPS was launching a midterm review (MTR) to integrate lessons learned of the previous two years and reflect Executive Board decisions, General Assembly resolutions, partners' views and the changing policy and economic climate. UNOPS would use the MTR to reach out to partners — via a newly created dialogue platform and face-to-face interviews — to determine how they saw its value added.

78. The Executive Director stated that UNOPS was ready to engage with as many Executive Board members as possible to plot its course over the following two years through the MTR of the strategic plan and the development of the strategic plan for 2014-2017.

79. Delegations commended the Executive Director for his leadership and welcomed the revisions of the financial regulations and rules, noting in particular that IPSAS adoption had helped UNOPS better manage resource accountability and comparability. They thanked UNOPS for its regular informal updates on progress and encouraged it to continue to deliver on ACABQ suggestions.

80. One delegation highlighted the important role of UNOPS at the upcoming United Nations Conference on Sustainable Development, given its niche assistance to countries in the wake of natural disasters to rebuild damaged infrastructure. UNOPS was encouraged to expand such services since they were particularly important within the context of promoting sustainable development. Another delegation asked UNOPS to reinstate reference to the General Assembly in the financial rule on ex gratia payments. It encouraged UNOPS to reconcile remaining specific technical issues, if any, directly with ACABQ and the United Nations Office of Legal Affairs.

81. Another delegation commended UNOPS for synchronizing IPSAS implementation with other United Nations organizations. It urged UNOPS to continue efforts to meet its four high-level contribution goals dealing with peacebuilding and humanitarian interventions and encouraged it to work with other

United Nations system partners to identify measures and systems for measuring its contribution to development effectiveness.

82. Thanking delegations for their feedback, the Executive Director highlighted that the organization had set up a results and reporting system to identify the outputs and indicators which tracked four high-level goals. He reiterated that UNOPS was a demand-driven organization and only accepted projects that fit the four high-level goals. He closed by thanking delegations for their expression of confidence in his management of the organization.

83. The Deputy Executive Director, UNOPS, in turn addressed a technical query on UNOPS request for Executive Board approval for ex gratia payments. He explained that, in the United Nations context, there were situations where despite the absence of a legally binding contract the Executive Director could authorize a payment on solely moral grounds. Natural disasters and terror attacks were typical events when ex gratia payments were effected. He noted, however, that UNOPS had not made a single ex gratia payment in the previous six years and had in fact sought to minimize its use. However, because decisions to make such payments had to be made urgently, it was impracticable to seek Board approval.

84. On the growth and innovation reserve, he noted that the term 'reserve' was misleading. While technically a 'fund', UNOPS was obliged to modify the terminology to adhere to IPSAS rules. He reassured Executive Board members that UNOPS was not seeking to create a new reserve in addition to the operational reserve but to utilize the existing reserve. He explained that within the excess of the actual operational reserve, there might be instances where UNOPS would need to invest in growth and innovation activities.

85. The Executive Board adopted decision 2012/5: Revision of the UNOPS financial regulations and rules.

Joint segment

IX. Recommendations of the Board of Auditors

86. The UNFPA Executive Director introduced the UNFPA report on the follow-up to the report of the United Nations Board of Auditors for 2008-2009: status of implementation of the recommendations (DP/FPA/2012/5). The UNDP Associate Administrator introduced the UNDP report on the implementation of the recommendations of the Board of Auditors, 2008-2009 (DP/2012/4). The UNOPS Deputy Executive Director introduced the UNOPS report on the implementation of the recommendations of the Board of Auditors, 2008-2009 (DP/OPS/2012/3).

87. Several delegations, in a joint statement, commended UNDP, UNFPA and UNOPS for their informative reports and for having implemented a large number of the United Nations Board of Auditors (BOA) recommendations. They expressed confidence that the organizations would implement the remaining recommendations. Delegations stressed the importance of following up on recommendations related to the International Public Sector Accounting Standards (IPSAS), which they said would provide a satisfactory picture of the organizations' financial situation.

United Nations Population Fund

88. Delegations noted with appreciation the UNFPA commitment to following up on the recommendations of BOA and the efforts undertaken to address the underlying causes of the qualified audit for 2008-2009. They noted in particular that all 13 recommendations related to national execution (NEX) had been implemented by August 2011. They welcomed the timely submission of the NEX audit reports. Noting that it was due to the use of an external audit company, they asked how UNFPA intended to retain the momentum going forward, including with regard to improving staff abilities and knowledge. The delegations asked UNFPA to keep the Executive Board informed as the Fund addressed the underlying causes through the annual reports of the Division for Oversight Services. They also requested that the Board be kept informed of progress in implementing the audit recommendations on strengthening accountability and management, and the progress on the rollout and implementation of IPSAS. The delegations commended UNFPA for a clear and transparent report, including the grouping of recommendations around risk categories. One delegation was pleased to note that addressing the recommendations of the Board of Auditors was a top priority at the highest level of UNFPA and that the organization had addressed more recommendations than before. The delegation commended the overall positive trajectory of the report. The delegation inquired about the type of training provided to staff on NEX audit management. The delegation was satisfied that IPSAS had been implemented and would lead to strengthened programme delivery.

89. The UNFPA Executive Director thanked the delegations for their comments. He clarified that the arrangement with the global audit firm was to ensure building capacity on the ground of both UNFPA staff and the Fund's implementing partners, including regarding compliance with processes, policies, procedures and timelines. He noted that many of the problems in the past had resulted from poor documentation and the lack of timeliness. He underscored that when he began his tenure as UNFPA Executive Director it was agreed in the organization that if implementing partners did not conform to the UNFPA accountability framework the Fund would not work with them. The global audit firm had been engaged for three years, given that the Fund's implementing partners were at different levels of development. Noting that UNFPA had revised the memorandum of understanding with implementing partners, he stated that the more robust governance framework underscored the accountability message conveyed to the implementing partners. Also, UNFPA country offices had been asked to undertake a systematic review and analysis to assess the implementing partners' capacity to work and it had been emphasized that what mattered was the quality of work on the ground and not the number of implementing partners. Referring to IPSAS, he noted that UNFPA was IPSAS-compliant as of January 2012 and the Fund's financial statement issued in 2012 would be in accordance with IPSAS. He underscored that UNFPA was committed to aggressively addressing any outstanding audit recommendations. He noted that some were not yet closed due to either their complexity or because they went beyond UNFPA and involved sister agencies of the United Nations for implementation. He assured the Executive Board that all audit issues were being addressed and a momentum had been created in UNFPA to be proactive (not reactive) to prevent further audit issues.

United Nations Development Programme

90. Several delegations expressed satisfaction with the improvements UNDP had made in managing the audit recommendations and commended UNDP for its tracking system which had been recognized as a best practice. They highly appreciated the progress UNDP had made in implementing its top 10 audit priorities, although they noted that more work remained in following up with audit priority 2 on programme design, monitoring and evaluation. In that regard, they requested more information on how UNDP would assess the impact of improvements on the quality of United Nations Development Assistance Frameworks (UNDAFs), country programmes and integrated workplans. Noting progress on audit priority 3 on procurement management, they requested an update on the impact of improvements in investigation capacity and anti-fraud reporting in the annual audit report at the annual session 2012.

91. Delegations wished to learn more on the status of outstanding issues, specifically whether they would be implemented by the March 2012 deadline. In that regard, they requested further information on the outstanding implementation status of After-Service Health Insurance (ASHI) as well as why UNDP might not be able to recover all amounts due, a conclusion reached following the review of legacy balances. Commending UNDP on IPSAS implementation and its investment in staff training, they looked forward to receiving the IPSAS external information package. In conclusion, they encouraged UNDP to consider including explicit reference to BOA recommendation in the top-10 audit priority list in the future.

92. The Associate Administrator, UNDP, thanking delegations for their comments, clarified that the top-10 priority list was based on self-assessments. She further explained that UNDP had not rated itself higher mainly because UNDP sought to raise the bar of expectations for its own performance as an organization in both of the areas of concern. The evidence showed clearly that UNDP had taken action; however, in the absence of the availability of long-term impact results the organization could not say with certainty that its actions had made a difference at the implementation level. She added that those ratings would be reviewed when BOA had finalized its audit report for the biennium 2010-2011.

93. On programme and project management, the Associate Administrator emphasized that strengthening UNDP capacity and performance in managing for development results was a long-term process requiring ongoing management attention. On programme design, monitoring and evaluation, she stressed that at the country level, based on analyses of strengths, weaknesses, opportunities and threats, UNDP was determined to turn the page and capitalize on its comparative advantages in responding to country needs. In that way, it would drop out of results areas where it did not have a comparative advantage, thereby allowing UNDP to focus more strategically on transformational change, of which the three criteria for programme engagement were the potential for scaling up, replication and informing policy. That cultural shift meant that even if a country-level project was important to the country UNDP would only play a support role to other partners while focusing its efforts in areas where it had a clear comparative advantage. With that in mind, UNDP encouraged its country offices to utilize ATLAS for programme management. She noted that UNDP was in the process of developing a stronger mechanism for quality control of programmes and projects. In that regard, she said that existing UNDP

systems for quality control were complex and simpler processes were being developed.

94. In light of the different measures referenced in the Associate Administrator's statement and in the report, UNDP was confident that with time those measures combined with continued focus on skill-building and system-redesign would improve the quality of project and programme design and monitoring and evaluation.

95. The Associate Administrator clarified that important progress had been made in line with the UNDP procurement road map, which had been approved by the Organizational Performance Group and which aimed to change how UNDP approached procurement. She highlighted, for example, that the organization had previously followed a one-size-fits-all approach to delegation of authority, with exceptions allowed on an ad hoc basis. At the present time, however, UNDP was moving in a different direction, beginning with assessing and rating implementation-level capacities on the ground and determining only afterwards what the level of procurement authority should be. In that way, UNDP was making progress in managing risk and instituting incentives for staff to obtain the proper training and experience that would accord them greater levels of procurement authority. UNDP was in effect focused on moving beyond risk control to risk management.

96. She commented that UNDP attached increasing importance to office capacity and performance (including the number of certified procurement buyers) when granting higher levels of procurement approval authority. UNDP planned to integrate programme, project and procurement planning for greater cost-effectiveness and savings while not imposing additional burdens on the country offices.

97. In conclusion, she highlighted that the quality of United Nations system coordination and the UNDAF were benefiting from the focus on developing stronger programme quality control mechanisms. For its part, she noted that UNDP had developed a results framework based on the UNDAF model that captured the UNDP contribution to UNDAF level outcome results.

98. The Deputy Assistant Administrator, Bureau of Management, UNDP, speaking of ASHI funding, stated that the total liability based on the most recent actual evaluation was $463 million. He noted that over a period of 11 or 12 years UNDP had already provided $429 million, leaving a balance of $43 million, for which UNDP was setting up a funding plan that would be ready once it received the results of the most up-to-date actual evaluation later that month. The plan would allow UNDP to ensure that ASHI liabilities were fully funded.

99. On the ASHI-related audit recommendations, of which there were five, he noted, with regard to the first, that at the end of 2012 with the adoption of IPSAS UNDP would fully accrue ASHI liabilities. On the second, funding, he reiterated his statement about the UNDP funding plan for remaining ASHI liabilities. On the third, disclosure of leave and other liabilities, he said that UNDP was developing a funding plan to be finalized with full adoption of IPSAS. In that regard, he noted that the entire liability would be disclosed in the balance sheet from 2012 onwards. Regarding the partial investment liability for ASHI, he reiterated that UNDP had already set aside a considerable amount of money.

100. On the issue of why UNDP was unable to recover amounts due, he highlighted that the balances in question had gone back almost 25 years and traversed some four legacy systems, with information compromised in the process at times. He noted that UNDP had been able to resolve many inter-agency balances. He stated that UNDP began with $200 million in unresolved balances, which at the present time had decreased to $18 million. UNDP was unable to conclude provisions for some agencies because of ongoing discussions and the need for requisite information. In a number of cases, UNDP was unable to recover because funding was project related.

United Nations Office for Project Services

101. Delegations were pleased with UNOPS progress, noting in particular its attention to risk mitigation strategies and its issuance of a revised procurement manual reflecting critical principles such as transparency and effective competition. They welcomed the disclosure of procurement plans in excess of $50,000 on the UNOPS website. They requested more information on procurement processes, especially those followed when conducting bidding processes and when addressing vendor and bidder complaints. Commending UNOPS for IPSAS implementation, they wished to learn more about the challenges faced and lessons learned in the process.

102. The Deputy Executive Director, UNOPS, responded to two Executive Board questions on IPSAS-compliant policies and on vendor bids. On IPSAS policies, he highlighted that although IPSAS standards were targeted at a very high level and did not provide a significant level of detail, UNOPS was working closely with BOA to correctly interpret IPSAS standards in relation to UNOPS business context. On financial impact, he stated that UNOPS would only know with certainty the impact of dealing with transactions in an IPSAS environment towards the end of 2012. On financial reporting, he affirmed that UNOPS would fully comply with all requirements related to mandatory disclosures and reporting. On discrepancies on IPSAS implementation between agencies, he said that harmonizing reporting across agencies remained a challenge that the three organizations were addressing in a coordinated manner. On cost-benefit analysis, UNOPS sought to minimize the financial impact of IPSAS implementation, making a conscious decision to develop IPSAS-compliant policies internally, instead of outsourcing to external consultants, to ensure long-term sustainability and institutional knowledge.

103. With regard to vendor bids, he stated that UNOPS was the first United Nations entity to implement in 2009 an independent system of vendor protests. That system had allowed vendor complaints to be addressed not by the UNOPS business unit or other personnel involved in the procurement process but by an independent unit not associated with the process. In more serious cases, vendor complaints could be dealt with through external independent entities. He noted that while cumbersome at times UNOPS commitment to transparency justified those procedures.

United Nations Board of Auditors

104. The Director, BOA, thanked the Executive Board for inviting him to speak. He noted that the implementation of BOA recommendations was an important benchmark for demonstrating the accountability of UNDP, UNFPA and UNOPS, and an important signal that the organizations could improve effectiveness and address the risks they faced in programme implementation. He was pleased to note that the

BOA report (A/66/139) indicated good progress achieved by the three organizations. He stated that the BOA would do its final review in April/May 2012 and he expected that all recommendations would be implemented. Regarding IPSAS implementation, he stated that the BOA had worked extensively with the three organizations concerning their plans, policies and the changes needed. He observed that the BOA would audit the IPSAS implementation process later and would share its assessment with the Executive Board. Regarding the qualified audit opinion that UNFPA had received earlier, he stated that the BOA had been working extensively with UNFPA to address NEX audit issues. He thanked the UNFPA Executive Director for taking decisive steps in addressing NEX and noted that quite an improvement had been observed. The 2011 NEX audit would be undertaken later. Meanwhile, the indications were positive and he hoped that UNFPA efforts would be sustained to ensure that the gains made translated into effective results in 2011 and beyond.

105. The Executive Board adopted decision 2012/6: Reports of UNDP, UNFPA and UNOPS on the status of the implementation of the recommendations of the Board of Auditors for 2008-2009.

X. Report to the Economic and Social Council

106. On behalf of UNDP, UNFPA and UNOPS, the Director, Programme Division, UNFPA, introduced the joint report of the Administrator of UNDP and of the Executive Directors of UNFPA and UNOPS to the Economic and Social Council (E/2012/5).

107. Only one delegation took the floor and stressed the importance of the report (E/2012/5) for the follow-up of resolutions adopted by the General Assembly in 2007, including resolution 62/208. In noting that the report was instrumental in the context of preparation of the upcoming quadrennial comprehensive policy review of operational activities for development of the United Nations system (QCPR), the delegation asked UNDP, UNFPA and UNOPS which elements of the guidance received in 2007 remained valid and which needed to be reinforced in future recommendations. Noting the importance of having a reality check, the delegation asked which recommendations needed to be reviewed to see if they were outdated or too complicated to put into practice. On the key issue of funding, the delegation expressed concern regarding the growing imbalance between core and non-core resources and underscored that core funding was necessary to preserve the neutrality, universality and multilateralism of United Nations support. The delegation expressed concern regarding the constraints to harmonization of business practices mentioned in the report. The delegation emphasized the importance of strategic coordination throughout the United Nations system in all key areas, particularly with regard to gender equality; South-South cooperation; and transition from relief to development.

108. The Director, Programme Division, UNFPA, noted that the three organizations had provided input (in E/2012/5) on what had been learned during the past three years in implementing General Assembly resolution 62/208. Concurring that core resources were essential to maintain the universality, neutrality and independence of funding, he underscored that there must be flexibility in order to respond to the needs of Member States. Regarding the future orientation of the United Nations, he noted that in-depth reflection was needed concerning such areas as engagement with

middle-income countries, and evaluation, including in the context of Delivering as One. Referring to the ongoing discussion on the system-wide evaluation infrastructure, he stressed the importance of striking the right balance between independence and learning and urged greater investment in learning. In flagging an issue for consideration in the upcoming QCPR, he drew attention to the current high growth seen in middle-income countries and the potential for new development resources and asked if the United Nations system needed to change its approach to resource mobilization, including fine-tuning existing instruments, while not abandoning traditional resources.

109. The Assistant Administrator and Director, Bureau for Resources and External Affairs, UNDP, highlighting the importance of comments made and the issues raised related to implementation of the QCPR, suggested that the discussion be taken up under a different agenda item that allowed ample time for debate. She noted that the delegation had mentioned a number of key issues on which UNDP was engaged in discussions with United Nations Development Group members and Member States in the run up to the QCPR. Among them, she noted the leadership, credibility, role, relevance and performance of United Nations country teams (UNCTs) and the United Nations development system at country level and globally, as well as resources requirements and the level of political will behind the coordination system. On funding, she pointed out that the core and non-core imbalance was no longer a trend but a long-term situation for which a viable solution had yet to be found. Those issues were fundamental, she stated, and touched on political support and alternatives for the United Nations system to deliver on its neutrality and impartiality in a credible way. Discussion needed to be framed in the context of emerging development trends arising from the new change architecture, as reflected in the post-Busan context, defined by new realities in which the United Nations system needed to find its role. Regarding the report itself, UNDP was keen to highlight developments around national capacity-building and South-South and triangular cooperation. She concluded that preparations for the QCPR provided the appropriate context to discuss those issues further.

110. The Director, North America Office, UNOPS, referring to earlier guidance, affirmed that UNOPS was well positioned to respond. He emphasized that UNOPS was, and would continue for the foreseeable future, to be a project-based, self-funding organization recognized as a central resource for infrastructure and procurement for the United Nations system. As demonstrated at that Executive Board session, UNOPS had shown itself to be responsive to partners' changing needs. He assured Board members that UNOPS was very active in UNCTs in countries where it had a presence, highlighting that the organization's most notable presence and engagement with UNCTs was in natural disaster and post-conflict situations.

111. The Executive Board adopted decision 2012/7: Report of the Administrator of UNDP and of the Executive Directors of UNFPA and UNOPS to the Economic and Social Council.

XI. Other matters

112. The following informal briefings/consultations were held:

(a) Joint UNDP, UNFPA and UNOPS informal consultation on a plan for achieving full transparency with regard to disclosure of internal audit reports;

(b) UNOPS briefing on preparations for Rio+20: Infrastructure and sustainable development;

(c) Joint UNDP, UNFPA and UNICEF informal briefing on the timetable for the review and analysis of harmonized cost recovery rates;

(d) Informal consultation on the implementation of the International Public Sector Accounting Standards in UNDP;

(e) Briefing by the Executive Director of UNCDF on the UNCDF 2011 preliminary results and perspectives for 2012-2013.

Report of the joint meeting[1] of the Executive Boards of UNDP/UNFPA and UNOPS, the United Nations Children's Fund, UN-Women and the World Food Programme

I. Middle-income countries: The role and presence of the United Nations for the achievement of the internationally agreed development goals

1. The President of the Executive Board of UNDP, UNFPA and UNOPS opened the meeting and invited the Executive Director of UNFPA to make an introductory statement on behalf of the six organizations. Next, presentations were made by four panellists: H.E. Mr. Ertuğrul Apakan, Permanent Representative of Turkey to the United Nations; Mr. Abdel Malek Achergui, Head, Division of United Nations System for Development, Ministry of Foreign Affairs and Cooperation, Morocco; Professor Ravi Kanbur, T.H. Lee Professor of World Affairs, International Professor of Applied Economics, Professor of Economics, Cornell University; and Mr. Diego Palacios, Representative, United Nations country team, and UNFPA Representative, Mexico (via video conference).

2. Following the presentations, the Member States, the panellists and the representatives of UNDP, UNFPA, UNOPS, UNICEF, UN-Women and WFP engaged in a dynamic, interactive discussion. Key issues raised by delegations during the discussion included the following:

(a) Middle-income countries (MICs) continue to need support from the development community because of the remaining poverty and inequality and other aspects of their unfinished development agenda. A disengagement from MICs would mean neglect of the majority of the world's poor and disadvantaged, which would be unacceptable;

(b) Multilateral engagement and strengthening of partnerships with MICs are particularly important because of the need to ensure that assistance to these countries benefits all categories of countries, especially the least developed ones. This entails the continuous importance of the United Nations and the increasing role of South-South and triangular partnerships, which should complement (not substitute for) North-South development assistance. The emphasis on building national capacity is of paramount significance;

(c) A modified country classification system is needed. No single indicator, such as income, can reflect the diversity of development challenges. Moving away from a universal criterion may entail conceiving a more refined classification of "middle-development" countries and reliance on multiple indicators related to various facets of the unfinished development agenda — poverty, hunger, infant and maternal mortality, gender inequality and lack of access to education. In devising a new classification, the United Nations can build on the experiences of the partner organizations that already account for several indicators in their resource allocation systems. Harmonization of these systems across the United Nations should also be pursued;

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[1] The joint meeting took place at the United Nations in New York on 30 and 31 January 2012. The agenda, background papers for the four segments of the joint meeting and available presentations may be accessed from the respective websites of the six organizations: www.beta.undp.org/content/undp/en/home/operations/executive_board/documents_for_sessions/adv2012-first.html; www.unfpa.org/public/home/exbrd/pid/8683; www.unops.org/english/whoweare/ExecutiveBoard/EBsessiondocs/Pages/EB2012.aspx; www.unicef.org/about/execboard/index_59925.html; www.unwomen.org/about-us/governance/executive-board/joint-meeting-2012; http://documents.wfp.org/stellent/groups/public/documents/resources/wfp243903.pdf.

(d) Heterogeneity among MICs calls for contextualized, well-tailored and dynamic approaches. It is critical to ensure flexibility, following the principle that no one size fits all;

(e) Improving operational efficiency and effectiveness is contingent on the catalytic involvement of the United Nations in MICs, creating synergies among the partner organizations and better utilization of resources. "Doing more with less" should build on best practices and their adaptation to different contexts. To achieve efficiency, a balance between the available core and non-core resources is essential.

3. The discussion at the joint meeting of the Executive Boards was expected to contribute to ongoing discussions on the development of a flexible, coherent and strategic framework for United Nations engagement with MICs.

II. Least developed countries: United Nations collaborative contribution to the implementation of the Istanbul Programme of Action

4. The session commenced with the President of the Executive Board of UN-Women welcoming the representatives of the six United Nations organizations and the four guest speakers. The Executive Director of UNOPS was invited to present the background paper on behalf of the six organizations. He highlighted the renewed focus of the 2011 Istanbul Programme of Action (IPoA) on strengthening productive capacities, on striking a balance in the allocation of resources between economic and social sectors, and on building resilience.

5. After the presentations by the guest speakers, six delegations took the floor raising the following issues:

(a) The operational activities of the United Nations in low-income countries, least developed countries (LDCs) and conflict-affected countries should be strengthened, while the presence in middle-income countries should be financed mainly by national contributions;

(b) In strengthening the productive capacities of LDCs due regard must be given to ensuring sustainable production patterns and use of resources;

(c) Although the responsibility for the implementation of IPoA lies with LDCs themselves, international support is key, including South-South initiatives. It is crucial to engage a broader range of partners such as the private sector and emerging economies like China, India and South Africa;

(d) Delivering as One must be encouraged as it brings greater coherence, transparency, effectiveness, efficiency and enhanced harmonization;

(e) The six United Nations organizations should work more closely with the United Nations Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States and actively participate in the task forces established to further elaborate on the implementation of IPoA.

6. The following points were emphasized by the representatives of the six United Nations organizations:

(a) The six United Nations organizations confirmed full commitment to LDCs and noted that the implementation of IPoA would be factored into the new strategic plans;

(b) The challenge of the next generation of Delivering as One is to further reduce the transaction costs within the United Nations system by simplifying internal processes;

(c) UNDP will continue to engage with countries in the extracting sector (including minerals, oil and gas) to support negotiations, income redistribution policies and trade capacity-building;

(d) Infrastructure needs to be embedded in the development agenda and can be a key factor in unleashing the potential of LDCs. Effective support to community infrastructure such as clinics, rural roads, houses and schools must build on local knowledge and experience;

(e) Procurement can be a powerful tool to boost local economies and promote sustainability. For example, WFP is working towards more "local farmer-friendly" rules, while the United Nations Environment Programme and UNOPS have been working on sustainable procurement guidelines;

(f) Need to focus on delivery and on the identification of critical barriers to accessing services, including sexual and reproductive health, family planning and education, and economic opportunities in LDCs, with specific focus on youth and women. Monitoring and evaluation need to feed into sharper analysis and sound programming to enable learning from proven best practices;

(g) Social and human capital must be protected. For example, investing in food-based safety nets is essential as malnutrition remains the single biggest cause of child mortality.

III. Making United Nations operational activity work for accelerated development: Quadrennial comprehensive policy review (Delivering as One, results reporting)

7. The President of the Executive Board of UNICEF chaired the meeting. Following introductory remarks given by the Administrator of UNDP and the Executive Director of UNICEF, the representatives of UNDP, UNFPA, UNICEF, UNOPS, UN-Women and WFP and a number of delegations engaged in a thoughtful discussion that offered useful recommendations.

8. Several delegations endorsed the focus on equity, with an emphasis on measuring results. They highlighted results tracking, the recently adopted principles of results reporting, gender equality results, disaggregation of results, and the importance of socio-economic indicators. One delegation noted that information on results should help inform decision-making by Member States. Referring to the monitoring framework known as the Cup, which focuses on achieving results

through identifying and overcoming bottlenecks to progress, some delegations suggested that United Nations organizations in addition to UNICEF might adopt a "cup" approach where appropriate. One delegation underlined the importance of results for areas beyond reporting, including for planning, delivery, measurement, sustainability and accountability. It was said that adherence to a results-based management approach would enhance the credibility of the United Nations system.

9. A number of delegations stressed the importance of solutions based on country contexts. Others emphasized the Millennium Development Goals and poverty eradication as being the highest of United Nations priorities. Also noted was the importance of coordinating — and not duplicating — the various ongoing and upcoming development agendas and initiatives, including the Millennium Development Goals, the United Nations Conference on Sustainable Development (Rio+20), and planning for post-2015.

10. Increasing support for capacity development, utilizing local resources, and enhanced South-South cooperation were also encouraged. Within the changing development context, some delegations raised concerns about declining core resources.

11. While noting that the process and outcome of the 2011 Fourth High-level Forum on Aid Effectiveness, held in Busan, Republic of Korea, lay outside the United Nations itself, some delegations suggested that the quadrennial comprehensive policy review of the United Nations operational activities for development (QCPR) should reflect the aid effectiveness agenda from Busan, including the "New Deal for Engagement in Fragile States". Delegations also highlighted the importance of post-conflict and fragile State issues.

12. In her concluding remarks, the Administrator of UNDP outlined the QCPR priorities: (a) affirming the relevance of the United Nations system; (b) recognizing the diversity and strengths of the United Nations organizations; and (c) underscoring the importance of coherence in United Nations development operations, especially on cross-cutting issues.

13. The Executive Director of UNICEF reiterated strong support for Delivering as One while noting that lessons learned from the independent evaluation were awaited. He emphasized that continued funding of Delivering as One would require demonstrated results on the ground.

14. The President of the Executive Board of UNICEF closed the meeting by emphasizing that United Nations organizations needed to work collectively, with development as their goal. The organizations, he said, should put aside their individual mandates where necessary to concentrate on the core issues.

IV. Transition

15. The segment on the transition topic was chaired by the President of the Executive Board of WFP and jointly coordinated by UN-Women and WFP.

16. Introducing the background paper on behalf of the six organizations, the Executive Director of UN-Women spoke of the comparative advantage of the United Nations in transitional contexts and the challenges faced in such contexts. The Deputy Emergency Relief Coordinator, Office for the Coordination of Humanitarian

Affairs (OCHA), emphasized that humanitarian response was limited in its ability to build long-term capacity and systems. The United Nations should support national compacts, and its organizations should work together around common priorities. There was a need for joint development strategies, and humanitarian clusters could play a role in capacity development. The OCHA representative highlighted the Resident Coordinator's role in delivering strategic coherence.

17. Member States welcomed the discussion on transition and stressed the importance of national ownership. They also emphasized that the United Nations was the best placed to work on transition from a humanitarian to a development situation; and the Inter-Agency Standing Committee Transformative Agenda 2012 was critical for success. Delegations noted that the United Nations integrated missions may impact humanitarian space and stressed the importance of selecting Resident Coordinators with experience in humanitarian affairs.

18. Delegations recommended that development planning start early in transition and called on organizations and donors to analyse, manage and accept risks. The need for better coordination among all partners was underscored. Delegations urged support for the compacts called for in the "New Deal for Engagement in Fragile States". It was noted that flexible funding mechanisms were crucial, along with strong leadership and rapid deployment of qualified staff with the right experience.

19. Attention was drawn to issues of peacebuilding and state-building and the importance of ensuring engagement of the United Nations organizations and sufficient support for Resident Coordinators. It was noted that United Nations work in transition settings should be reflected in the quadrennial comprehensive policy review.

20. Several delegations highlighted the need to build resilience, especially targeting the most vulnerable, including in middle-income countries. Delegations called for a common platform and joint United Nations programmes on resilience. Several delegations noted that transitions could present opportunities to promote gender equality.

21. In response, UNICEF stressed the importance of social services delivered equitably by national partners. UNDP highlighted the importance of governance and of addressing resilience in United Nations planning frameworks. UNOPS emphasized the importance of climate-related disaster risk reduction, rebuilding hope by demonstrating visible results, focusing on results and seeking policy coherence. UNFPA called attention to the need for better integration of humanitarian and development frameworks, to include recovery and transition work from the onset of emergency response, and to include emergency preparedness, disaster risk reduction and resilience in country-level planning. WFP emphasized the need for flexibility in funding transitions. It underscored that women's empowerment should be recognized not only as a principle but also as a development issue.

Part two
Annual session 2012

Held at the United Nations Office at Geneva from 25 to 29 June 2012

I. Organizational matters

1. The annual session 2012 of the Executive Board of UNDP, UNFPA and UNOPS was held at the United Nations Office at Geneva from 25 June to 29 June 2012.

2. The Executive Board approved the agenda and workplan for its annual session 2012 (DP/2012/L.2) and approved the report of the first regular session 2012 (DP/2012/5 and Add.1).

3. The Executive Board agreed in decision DP/2012/20 to the following schedule for future sessions of the Executive Board in 2012:

Second regular session: 4 to 10 September 2012

4. Decisions adopted by the Executive Board at the annual session 2012 appear in document DP/2012/16, accessible at www.undp.org/execbrd.

5. Delegations acknowledged the impact of last year's proposal and decision adopted by the United Nations General Assembly to transfer costs of official meetings from the United Nations Secretariat to individual Funds and Programmes. They suggested that cost-savings options further enhance dialogue, knowledge-sharing and transparency in decision-making, and balance with sufficient means for Member States to provide oversight of the activities of the three organizations, especially with regard to working and official languages and timely translation of documents and administration. They urged for a thorough review of related working methods in coordination with relevant United Nations agencies and entities.

UNDP segment

II. Statement by the Administrator and annual report of the Administrator

6. In her opening statement to the Executive Board, Administrator Helen Clark introduced three new members of senior management: Assistant Administrator and Director, Regional Bureau for Arab States; Assistant Administrator and Director, Bureau of Management; and, Assistant Administrator and Director of the Regional Bureau for Europe and the Commonwealth of Independent States. She acknowledged the presence and commitment of Executive Board members and representatives of other Member States, especially as this year's annual meeting came in the midst of a series of high-level conferences and events.

7. The Administrator highlighted key results of UNDP assistance in 2011 and the annual report's use of new outcome and output indicators. She focused on successes in poverty reduction, food security, gender-sensitive HIV response, democratic governance, crisis prevention and recovery, and environment and energy. She was pleased to report the launch of UNDP's first Africa Human Development Report.

8. Reflecting on 2012 and beyond, the Administrator, as head of UNDP and chair of the United Nations Development Group, elaborated on opportunities for advancing the development agenda. She focused on areas of UNDP engagement in inter-governmental processes and within the context of priorities of the United Nations Secretary-General's Five-Year Action Agenda, covering: the outcome of the United Nations Conference on Sustainable Development (Rio+20); the post-2015

Millennium Development Goals (MDGs) development framework; the Quadrennial Comprehensive Policy Review (QCPR) and the Independent Evaluation of Delivering as One (Tirana). She then outlined the roadmap for the 2014-2017 strategic plan and remarked on interlinkages of the QCPR, the internal agenda for organizational change and the annual business plan.

9. The Administrator emphasized UNDP's firm commitment to improving transparency and accountability. She highlighted steps already taken with Member States and inter-governmental donors to increase access to internal audit reports and reassured safeguards for confidentiality and appropriate capacity would be put into place for full public disclosure of internal audit reports.

10. In their general remarks, delegations were pleased with the strategic direction and progress of the internal agenda for organizational change and the introduction of the Annual Business Plan. They welcomed the plan to encourage each country office and programme unit to follow a three-part strategy and looked forward to future feedback on this endeavor. Several delegations requested more information on actual outcomes and impact of the internal agenda for change and the business plan, in terms of enhanced and transformed institutional behavior, including at the country office level, and options for country presence to be able to flexibly and innovatively respond to needs on the ground.

11. Delegations stressed the important role of UNDP in the QCPR discussion and the opportunity to set a framework for effective collaboration among organizations at the country office level. They spoke about the future of Delivering as One with reference to the independent evaluation (Tirana), highlighting the following areas: (a) the need to identify sustainable funding modalities for the Funding as One programme; (b) the United Nations working "as one" as a main modality for engagement at the country level; (c) more pro-active collaboration with agencies to strengthen the role of the Resident Coordinator and harmonize business practices.

12. Delegations made wide-ranging comments on priorities, resourcing and development approaches to be fed into the strategic plan 2014-2017. In this respect, they stressed that the UNDP agenda should reflect outcomes of Rio+20, the post-2015 MDG development framework, Delivering as One (Tirana), the Istanbul Conference on Least Developed Countries, and the QCPR. They emphasized a number of cross-cutting areas for UNDP to focus on, inter alia: (a) low-income and least developed countries, especially in Africa; (b) capacity-building in developing countries, with a differentiated approach in middle-income countries, in areas such as technology transfer, self-resourcing and other financing mechanisms, clean energy initiatives, youth employment, trade, and agriculture; (c) greater use and structural flexibility of the South-South Cooperation Unit to contribute to regional and global policy and development efforts.

13. Delegations underscored the need for greater UNDP strategic positioning given the changing development landscape, technological innovation, emerging donor countries and new partnerships with the private sector. They underlined the importance of an enhanced results-based management framework and new and refined indicators in the next strategic plan, as well as sharpened focus on UNDP areas of added value. To this end, they encouraged more effort on building capacity in resilience, particularly with respect to food security and in the context of poverty eradication, as well as on social and economic development, namely, inclusive growth and income.

14. Along these lines, a number of delegations viewed democratic governance as a potential flagship of UNDP work as it underpins many aspect of sustainable development. They urged UNDP to mainstream democratic governance throughout its programmes, to include rule of law, democratic institutions, good governance and human rights. In this regard, they called for more resources, such as through the democratic governance thematic fund, and with regard to internal resource allocations and contributions.

15. In a statement by the African States, it was stressed that international development cooperation efforts need to better create an enabling environment for progress in Africa, particularly with respect to MDG acceleration. They underscored that the gaps in meeting the MDGs will limit the capacity of many African nations to move forward on a post-2015 MDG agenda, especially as those countries face ongoing climate change consequences, such as food and human insecurity. It was emphasized that access to financing, technology, improved market access, and educational opportunities, especially for young people, were crucial to meeting both climate adaptation and development goals.

16. Delegations welcomed the first annual report based on the revised results-based framework as a milestone in UNDP results-based reporting and as a work in progress. They made the following suggestions for future reports: (a) refine outcome definitions and indicators to allow for more credible measurement in reporting positive change and results; (b) illustrate the case for UNDP specific contribution and added-value through more qualitative narrative, which could in part be drawn from the wealth of data in the annexes; (c) consider alternatives to the output engagement profiles to capture UNDP contribution to outcomes at the national level; (d) include lessons learned, risks and challenges (policy, operational, institutional), reasons for not achieving stated objectives and what needs to be done to get back on track; (e) input cross-cutting issues of human rights and gender, as well as South-South and triangular cooperation.

17. A number of delegations stressed the critical importance of the evaluation function for donor countries' financial support and improvement at the national level. They called for better use of evaluation findings, especially at the regional level, as a learning process to improve performance and for reporting and planning purposes. They emphasized that senior managers should be responsible for conducting quality evaluations at the country office level.

18. Delegations emphasized transparency and accountability as crucial to understanding strengths and weaknesses and welcomed steps taken by UNDP in this respect. They broadly welcomed the proposal for full disclosure of internal audit reports by the end of the year, stressing the need for appropriate safeguards for confidentiality, resources and capacity to cope with inquiries from the public.

19. Delegations acknowledged the slight increase in core resources when compared with the previous three years but expressed concern on the overall drop in resources and lower projection of core funding contributions for 2012. They urged UNDP to implement the "critical mass" concept, in effect, to do more with less and reflect this in the agenda for organizational change and the next strategic plan. Reiterating their call for predictable and sustainable resources, many delegations encouraged UNDP to innovate and diversify its funding base, such as with the private sector and new donor countries, and address cost-recovery issues. They

worried about the increasing use of restrictive earmarked funds and suggested to explore the use of "soft" earmarked resources for longer-term approaches.

20. The Administrator thanked delegations for their encouraging and constructive comments on progress made in performance and achievements in 2011, the revised annual report, and recognition of UNDP as a leader in debates and conferences on development cooperation. She underscored the value of new partnership agreements with a number of middle-income countries and welcomed recent electoral expertise exchanges, for example, among Mexico and transitioning states in the Middle East and other South-South cooperation initiatives. She spoke about progress in emergency relief and coordination and development responses, and the impact of the MDG acceleration framework in the vulnerable setting of the Sahel, citing the example of UNDP collaboration with Niger in the development of an action plan and strategies to address continuing episodes of food insecurity.

21. The Administrator reiterated the annual report was a work in progress. In this respect, she welcomed collaboration with Member States to identify fewer and clearer outcomes for a more accurate picture and stronger communication of UNDP's impact, particularly in the context of preparation of the next Strategic Plan as well as for future annual reports. She acknowledged the need to explore the relevance of the engagement profiles and the challenge of country offices reporting the same type of activity under different outcomes. In closing, she expressed appreciation for all those who fund UNDP and their accountability to the public, reaffirming commitment to better results-based reporting and telling of the UNDP story.

22. The Executive Board adopted decision 2012/9: Annual report of the Administrator on the strategic plan: performance and results for 2011.

III. Funding commitments to UNDP

23. The Assistant Administrator and Director of the Bureau for External Relations and Advocacy presented the status of regular funding commitments to UNDP and its funds and programmes for 2012 and onwards (DP/2012/8).

24. At the outset, some delegations proposed merging this item with the annual report of the Administrator in future sessions because the majority of delegations share their comments on funding issues in their general remarks.

25. Delegations expressed their serious concern over the drop in overall resources and reiterated the need for predictable, stable, less restrictive, and, ideally, multi-year core funding for UNDP to fulfil its strategic priorities for sustainable development. In this respect, they stressed that UNDP should continue to evolve its results-based orientation and results reporting, and be realistic in its planning process in recognition that the financial situation will most likely not change dramatically in the coming years. They further urged traditional Member State donors to maintain current levels at a minimum and for new donors to scale up their contributions.

26. A number of delegations suggested it was time to move beyond the core versus non-core resources debate. They emphasized the urgent need for an open discussion on overall resources in the QCPR and beyond, including on the following: (a) the challenge of the escalating use of short-term, project-oriented, earmarked funding; (b) what is required for donors to provide more "soft" or qualitative earmarked

funding on a programmatic level according to a global theme, region, country programme as a whole or by sector; and (c) what can be done to make it more attractive to give to UNDP, with more strategic communication and differentiated cost recovery rates as suggestions.

27. A number of delegations welcomed the development of the integrated resource management framework, as outlined under the agenda for organizational change, to better track resources and align with priorities in the strategic plan. They expressed the desire for the framework to be more than just a tracking mechanism, but one under which all UNDP core and non-core resources align with priorities set with and agreed upon by the Board in the strategic plan. They questioned why this framework remains only internal and suggested it be brought to the Board for dialogue and decisions on financing in conjunction with the new strategic plan, with the goal of connecting all resources to results UNDP sets to achieve.

28. The Assistant Administrator thanked delegations for their comments. She reaffirmed UNDP alignment with the thinking presented by delegations on the status of funding, noting the need to conduct a number of studies for more detailed discussions. She requested guidance from the Board in determining an adequate definition of a “critical mass” of funding as well as for suggestions for more effective communication of results. She highlighted the potential of assessments and evaluations of UNDP to gain political and financial support. She emphasized opportunities in the post-Rio+20 era for financing for development, including with the private sector. In closing, she welcomed further dialogue with the Executive Board during the integrated budget management framework debate on “soft” earmarked funds as a way forward, and with countries that have signed a strategic framework agreement with UNDP for their input on strategic direction.

29. The Executive Board adopted decision 2012/10: Status of regular funding commitments to UNDP and its funds and programmes for 2012 and onwards.

IV. Human Development Report

30. In line with General Assembly resolution 57/264, the Deputy Director, Human Development Report Office, presented an update on Human Development Report (HDR) preparation and consultations (DP/2012/9). In addition, he announced the planned launch date of late October for this year’s Human Development Report, namely, Rise of the Global South: Human Progress in a Diverse World.

31. Delegations reiterated the value of the HDR as a tool to create global awareness on human development issues, calling it a flagship publication. They supported the mainstreaming of the human development perspective into the post-2015 MDG development framework and other similar development cooperation agendas. Many delegations commended the latest HDR preparation process and consensus-building efforts, highlighting the quantity, quality, diversity and geographical relevance of the consultations, and requested this approach continues in the future.

32. The 2012 HDR theme was praised by delegations as timely and relevant in light of changing global dynamics, South-South initiatives and the post-2015 agenda. Delegations underscored the need for content to reflect, inter alia: the principle of neutrality; statistical equity and integrity, in line with implementation of

recommendations made by the United Nations Statistical Commission; the role of the North; disparities within the South; and, outcomes from the Fourth United Nations Conference on the Least Developed Countries (Istanbul).

33. The Executive Board took note of the update of the Human Development Report preparations and consultations.

V. Country programmes and related matters

34. The Associate Administrator introduced the item (DP/2012/10/Rev.1; DP/2012/10/Add.1). She reiterated the Administrator's opening statement about the opportunities for UNDP engagement in Myanmar for a full country programme in complementarity with partners and in the context of reforms happening within the country.

35. Directors of regional bureaux and the United Nations Resident Coordinator and UNDP Resident Representative of Moldova presented 13 draft country programmes and a number of extensions of country programmes, respectively, and screened film shorts of UNDP work in Afghanistan, Rwanda and Tunisia. Delegations were then invited to comment.

36. The draft country programmes were welcomed by delegations as more reflective and responsive to national priorities, aligned with UNDP comparative advantages, and grounded on an enhanced results-based framework. A few delegations stressed the importance of completion of projects within the proposed timeframe and of accountability and transparency. They reiterated the need for more emphasis on the evaluation function, at the formulation and implementation stages, stressing that progress in this area in the last few years has been uneven. They urged that regional bureaux at all levels respect the use of evaluation and use it as a learning process to improve performance.

37. A number of delegations emphasized more focus on gender-related issues, such as tackling systemic issues of gender-based violence and increasing the gender perspective in the overall country programme. A few delegations stressed better coordination with development partners on cross-sectoral and cross-cutting issues. One delegation called for renewed attention to the critical role of sustainable access to safe drinking water and sanitation, noting its importance in achieving the MDGs.

38. Delegations broadly supported the proposal for widening UNDP assistance to Myanmar. In building a country programme for sustainable long-term development cooperation in Myanmar, they urged UNDP to undertake the following: (a) broad consultation outside of the government, such as with the opposition, civil society and the growing number of international actors; (b) use of documented needs- and risk-assessments in formulating a programme; (c) piloting and testing of approaches before full-scale implementation; (d) creation of a tailored programme with high priority on governance, capacity-building, reduction of vulnerability to natural disasters and climate change, and renewable energy, in close coordination with donors and other development actors. They requested a strategy on phasing out of the 'Human Development Initiative' and transitioning it to other entities.

39. Delegations whose countries were the subject of the new draft country programmes thanked UNDP for its support and the consultative processes that had taken place at the country level, especially through the United Nations Development

Assistance Framework. There were a few comments encouraging increased use of partnerships and South-South cooperation as a key approach to implementation and of lessons learned from previous programme cycles.

40. The Executive Board reviewed a total of 13 draft country programmes, namely: Africa region — Guinea, Lesotho, Mauritius and Sierra Leone; Asia and the Pacific States region — India, Malaysia and Sri Lanka; Arab States region — Djibouti and Jordan. Latin America and the Caribbean region — Belize, Bolivia and Costa Rica; Europe and the Commonwealth of Independent States — Republic of Moldova.

41. Two-year extensions for Colombia, Comoros, Kuwait and a second one-year extension for Namibia, and Tunisia, from 1 January to December 2013, were approved by the Executive Board, on a no-objection basis.

42. The Executive Board also took note of the first one-year extensions for Bhutan, Cuba, Guinea-Bissau, Mali, Mexico, Nigeria and Togo, as well as a six-month extension of the country programme for Rwanda (DP/2012/10 and Add.1.).

43. The Executive Board took note of the draft country programmes and extensions, and adopted decision 2012/11: UNDP Assistance to Myanmar; and, decision 2012/17: Request by Rwanda to present a draft common country programme document to the Executive Boards of UNDP/UNFPA/UNOPS, UNICEF and WFP.

VI. United Nations Capital Development Fund

44. The Associate Administrator opened the item by providing an overview of the United Nations Capital Development Fund (UNCDF) structure and mandate as a development financing institution. She highlighted key results and initiatives of UNCDF in promoting sustainable development and inclusive growth, remarking it is the only United Nations operational agency focused mainly on Least Developed Countries. In closing, she thanked the Executive Secretary ad interim for her leadership since April 2012.

45. The UNCDF Executive Secretary summarized the report on results achieved in 2011 (DP/2012/11) and provided perspectives for 2012 and beyond. She reflected on budget and programme growth, results, and innovation achieved in 2011. On priorities for 2012 and beyond, she touched upon the launch of products across a range of areas of local finance development, climate change and clean energy. She spoke of strengthening partnerships for advocacy, knowledge and training, as well as focusing on performance, with increased investments for programme management and evaluation, gender and knowledge management and staff capacity. She also informed the Board that UNCDF faced two major challenges in terms of continued growth and innovation: (a) the extremely limited core funding; (b) the cost recovery policy, where greater flexibility could be introduced, particularly regarding contributions from private sources.

46. Delegations welcomed the 27 per cent increase in UNCDF contributions when compared to the 2010 level and recognized the rising demand for services. At the same time, they expressed concern that the growth in contribution is largely due to earmarked contributions. They also expressed concern that launching too many products and too much rapid growth could lead to programme fragmentation

weakening UNCDF added-value and creating challenges both for management of the organization and Executive Board oversight. In addition, they underlined a potential problem with government contributions being used to compensate for inadequate cost-recovery from private foundations, especially given the small size of the agency, and requested more information on how UNCDF will address this issue.

47. On future resourcing and private sector initiatives, delegations called for more core resources. In terms of finding sustainable sources of new funding, a few delegations suggested to more involve middle-income countries as it is in the interest of those same countries to see recovery in their respective regions. In this respect, they emphasized the importance for differentiated support by the United Nations system to enable middle-income countries to increase their involvement in development initiatives. To this end, they stressed the need for appropriate adjustment of cost-recovery of middle-income countries' development cooperation efforts, whether in the public or private sectors.

48. In future reports, delegations stressed strengthening of results reporting at the outcome level will make the communication of positive and negative results more effective. They looked forward to the broad stakeholder consultation later this year on the future of UNCDF.

49. The Executive Secretary thanked delegations for their comments. She welcomed further dialogue with the Executive Board in the upcoming stakeholder's meeting, specifically on the need to balance growth with focus of mandate, and the appropriate funding model for UNCDF. In response to questions asked, she spoke of several initiatives and partnerships underway with regard to better measurement of impact, clean energy for the poor, involvement of middle-income countries in assisting Least Developed Countries, and ability of local and national government to generate their own sources of revenue.

50. The Executive Board adopted decision 2012/12: Report on results achieved by UNCDF in 2011.

VII. United Nations Volunteers

51. The Associate Administrator introduced the item by emphasizing the importance of volunteerism as a powerful development tool. She highlighted the key role of UNV in promoting youth volunteerism, as well as the successful commemoration of the tenth anniversary of the International Year of Volunteers, which included the launch of the first ever State of the World's Volunteerism Report. In closing, she gave words of remembrance for the United Nations Volunteers who died in 2010 and 2011, and thanked all United Nations Volunteers for their contributions to peace and development. In announcing this was the last Board session of the Executive Coordinator and Deputy Executive Coordinator due to completion of their assignments, she emphasized they would be leaving an important legacy in UNV, for which she thanked them.

52. The UNV Executive Coordinator presented the annual report of the Administrator (DP/2012/12) by providing an overview of results achieved during the 2010-2011 biennium and the challenges and opportunities looking ahead. She

also paid tribute to all United Nations Volunteers and UNV staff, for their contributions to peace and development through volunteerism.

53. Delegations paid tribute to United Nations Volunteers who have lost their lives while in the line of duty. They expressed their appreciation for the leadership of the Executive Coordinator and Deputy Executive Coordinator in promoting volunteerism in support of peace and development efforts, noting in particular environmental protection and youth action. To this end, they encouraged integration of volunteerism into the post-2015 agenda, the United Nations development system, joint programming, as well as in developing of the UNDP 2014-2017 strategic plan and new development goals.

54. Delegations widely praised the commemoration of the tenth anniversary of the International Year of Volunteers and the launch of the first State of the World's Volunteerism Report. In this respect, they encouraged UNV to continue the publication of this report in future years. They also requested further information on plans for enhancing volunteerism awareness and promoting partnerships, particularly at the community level, among youth, and with non-traditional donor countries and the private sector.

55. A number of delegations spoke specifically about the positive impact of youth volunteers and examples of initiatives in their respective countries in collaboration with UNV, including at Rio+20. They stressed the positive impact in both the short-term and long-term of training youth in volunteerism, especially those coming from under-privileged circumstances. In this respect, they supported the establishment of a dedicated youth volunteer trust fund initiative.

56. Delegations took note of the development of a results framework and encouraged UNV to refine and continue to develop it for improving results-based reporting based on UNV's cumulative experience. In addition, they encouraged UNV to undertake more corporate-level strategic, thematic and project-based evaluation for accountability and to improve staff and United Nations Volunteer performance. In future reports, they would like to see inclusion of lessons learned and steps taken in response to evaluation recommendations. They welcomed the publication of the handbook on assessing contribution of volunteerism to development and requested to know how it will be used to support future evaluations.

57. Delegations noted their understanding that all international United Nations Volunteers are covered for functional privileges and immunities under the UNDP Standard Basic Assistance Agreements, regardless of the United Nations entity they are assigned to. They also expressed concern about the dearth of female volunteers, especially in peacekeeping missions, and noted the need to strive for a better gender balance.

58. The United Nations Department of Field Support and the Office of the United Nations High Commissioner for Refugees warmly welcomed and commended the work of UNV in terms of achievements, partnerships and synergies, as well as the significant contribution United Nations Volunteers make to their operations. The International Federation of the Red Cross/Red Crescent Societies noted their solid partnership with UNV, especially in advocacy for recognising the impact of volunteerism.

59. The Executive Coordinator thanked delegations for their supportive comments on the work of UNV and United Nations Volunteers. She acknowledged the focus that UNV already gives to opportunities for youth, especially those most disadvantaged, and noted the example of Brazil (Rio+20) in this respect. She reaffirmed commitment to the screening processes of United Nations Volunteers to ensure balanced representation of all nationalities, as well as continuing efforts to increase the number of female United Nations Volunteers which are already starting to produce results. She touched upon initiatives taken in the area of evaluation, including on-going and upcoming evaluations with partners and the availability of evaluations and management responses on the UNDP evaluation website. With regard to the future, she welcomed engagement with the private sector and non-traditional donors, building capacities for national volunteer programmes, as well as to play an active role in the UNDP 2014-2017 strategic plan, post-2015 agenda and other frameworks.

60. The Executive Board adopted decision 2012/13: United Nations Volunteers: report of the Administrator.

UNOPS segment

VIII. Statement by the Executive Director and annual report of the Executive Director

61. In presenting the annual report for 2011 (DP/OPS/2012/4), the Executive Director reflected on progress on financial, operational and procurement results, as well as related challenges and opportunities, especially within the context of global financial uncertainty. He highlighted the scale of construction, procurement and training done on behalf of partners, the increased focus on low-income and conflict-affected countries and milestones in measurement against international benchmarks for quality and transparency. In this regard, he spoke of UNOPS as becoming the first United Nations agency to publish in the International Aid Transparency Initiative format and the launch of data.unops.org, a website for the public to easily access information. In looking ahead, he spoke of strengthening partnerships, reporting of results and impact, as well as initiatives toward sustainable infrastructure in light of Rio+20. He stressed that while the year could be characterized as reaping rewards following several years of difficult reform, the organization will continue to embrace change to improve, identify and meet challenges in the future.

62. The UNOPS Head of Communication then provided an update on the status and future direction of transparency tools designed for public use and the promotion of development effectiveness.

63. Delegations congratulated on results across a spectrum of issues, including adherence to the self-financing principle, management and focus on the agency's areas of speciality, despite the overall reduction in the total monetary value of delivery. They reiterated the need to address the challenge faced by UNOPS to evaluate outcomes in the long-term. In this regard, in future reports they would like to see more input on the contribution of UNOPS activities at the outcome level, such as the one presented in box 5 of the annual report, and urged for stepped-up engagement with partners in measuring impact. In addition, there was a request for

details on how UNOPS advisory services have bolstered national purchasing systems, infrastructure, planning and management.

64. Delegations made special mention of the successes of the transparency agenda and harmonization of data. They called the results "ground-breaking" among United Nations agencies, praising the International Aid Transparency Initiative achievements, the awarding of the ISO 9001 certification for the global management system, among others. They encouraged UNOPS to share best practices in these areas.

65. On operations, delegations welcomed the significant increase of services to low-income countries and conflict-affected areas. They commended the predominance of field-based staff, use of local resources and contributions to capacity-development. Building on these successes, delegations suggested additional focus on improving capacity of developing countries in project management, accountability and efficient procurement systems. They proposed as well as to mainstream the capacity development agenda in UNOPS work with other United Nations agencies.

66. Delegations stated their appreciation for the organization's procurement practices, especially issuing of clear and understandable tender documents, receiving the award of (CIPS) certification, and managing cost-effectiveness. They urged for more efforts in enabling developing countries to fairly participate in international procurement and to proactively encourage other United Nations agencies to increase their use of local resources.

67. Delegations acknowledged the increase of UNOPS alliances with other development actors, financial institutions, potential donor countries, private and non-profit entities. In this respect, they requested information on partnership strategies at the global, regional and national levels, as well as for tapping into the potential of South-South cooperation.

68. The Executive Director thanked delegations for their encouraging comments. On improving reporting of results at the outcome level in future annual reports, he reaffirmed commitment to further evolve impact measurement with partners. Within this context, he welcomed additional dialogue with the Board in preparing the next strategic plan (2014-2017) to identify areas important for measurement and reporting purposes.

69. He acknowledged the potential of South-South cooperation and confirmed this as an area for further support. He emphasized latest examples of UNOPS collaboration with developing countries, such as in promoting climate-proof infrastructure in general and at Rio+20, as well as support for developing countries as donors, such as Brazil and India, to assist in building infrastructure in less-industrialized countries like Haiti.

70. The Director reflected on outcomes from the Fourth High-level Forum on Aid Effectiveness (Busan) as a way forward for UNOPS in determining more selective and strategic partnerships and providing advisory services. To this end, he noted the increase of demand from middle-income countries for advice on areas ranging from engineering of roads and solid waste systems, to procurement processes and tendering of emergency items. In closing, he offered to share UNOPS experience in the International Aid Transparency Initiative with other United Nations agencies,

some of whom have already expressed interest, and in so doing, thanked UNDP for its support during the initial phase of the project.

71. The Executive Board adopted decision 2012/16: Annual report of the Executive Director, UNOPS.

Joint segment

IX. Internal audit and oversight

72. The Director, Office of Audit and Investigations, UNDP, the Director, Division for Oversight Services, UNFPA, and the Director of Internal Audit and Investigations Group, UNOPS, introduced the respective annual reports (DP/2012/13/rev.1; DP/FPA/2012/9; and, DP/OPS/2012/5).

73. The UNDP Associate Administrator, the UNFPA Deputy Executive Director (Management), and the UNOPS Deputy Executive Director presented the respective management responses of the three organizations.

74. In their general remarks, delegations commended the management of all three organizations for showing leadership in responding to the international community's calls to make their respective agencies more accountable and effective. Delegations appreciated the substantial progress achieved in implementation of recommendations.

75. Delegations supported the joint UNDP/UNFPA/UNOPS proposal for the full public disclosure of audit reports. They stressed the need to ensure safeguards for confidentiality. In addition, they requested more information on how the three organizations would boost capacity in their respective offices of audit and investigations to respond to an expected increase in audit inquiries and/or requests for internal audit reports.

UNDP

76. Delegations welcomed the comprehensive report and commended the high turnover of work undertaken. They supported the approach to jointly audit multi-partner trust funds and Delivering as One programmes and encouraged proactive sharing of lessons learned for use in other joint ventures, such as cash transfer harmonization and developing advisory guidance for staff. In addition, comment was made for UNDP to provide further information on innovations in carrying out audits.

77. Delegations expressed concern about the continued high level of recommendations in human resources, project management, and procurement, and the number of those rated as "partially satisfactory." They urged for action to reform and manage performance in these areas. On those audit recommendations currently being acted upon, they requested assurance that remedial measures were being used to address poor performance. Several delegations were interested to know how recommendations are shared with respective audited country offices for follow-up action and underlined the need for a uniform application of procedures for audits undertaken by private firms.

78. For future reports, a number of delegations requested reflection of strengths of UNDP operations and for management response to be more explicit on the implications of identified weaknesses.

79. Delegations reiterated the need for sufficient allocation of resources and capacity in the audit function. They noted these have remained at a minimum level despite the evident increase in volume of work. They stressed that making savings in this area would not be advisable as contributions are based on the trust of well-managed funds.

80. Delegations broadly supported the proposal for the public disclosure of internal audit reports. A few delegations called for publication and updating of the status of implementation of recommendations on the website, too.

81. The UNDP Associate Administrator thanked delegations for their comments. She remarked on mechanisms being put in place under the agenda for organizational change to address the remaining number of recommendations in the aforementioned areas of concern, and procurement measures underway for more flexibility at the Country Office level to address local context and improve staff capacity. The Director of the Office of Audit and Investigations further remarked that the selection process for audit firms would be strengthened for consistent application of criteria and results and reaffirmed commitment to quality assurance and continuing swift action to address misconduct complaints.

82. The Chair, UNDP Audit Advisory Committee, reiterated the importance of sufficient resources to address audit and investigations issues, especially for public disclosure of internal audit reports.

UNFPA

83. Several delegations commended the UNFPA Executive Director and staff on the substantial improvements in the implementation of audit recommendations, including in the area of national execution (NEX). They looked forward to further improvements, including the new staff development programme. Noting their concern regarding recurrent findings on compliance with processes and procedures, they hoped to see increased training and supervision to ensure 100 per cent compliance. They urged UNFPA to implement the recommendations within its control and noted that they looked forward to seeing the report of the Board of Auditors, which recognized the progress made by UNFPA. One delegation asked to know more about the audits of the Delivering as One pilots and self-starters. Referring to the draft decision on the public disclosure of internal audit reports, the delegation drew attention to the principles enshrined in the decision adopted recently by the UNICEF Executive Board, including the emphasis on safeguarding confidentiality.

84. Delegations noted that the most fundamental issue for UNFPA was the implementation of the 15 recommendations issued by DOS in DP/FPA/2011/5. They commended the strong commitment of UNFPA to implementing the recommendations, including the efforts to increase knowledge management, results-based management, evidence-based programming, quality assurance and country office risk mapping. Noting the progress evidenced in those areas, they encouraged UNFPA to continue its efforts. They welcomed the publishing of the status of implementation of recommendations. They asked that the units/divisions with

responsibility for implementing the audit recommendations be specified in future reports.

85. Observing that only a few internal audit engagements were rated “satisfactory”, delegations encouraged UNFPA to address the issues and asked to hear the reflections of the Director, DOS. The delegations noted that the NEX audit process was rated satisfactory as a result of bold steps taken by UNFPA to rectify shortcomings. Regarding the International Public Sector Accounting Standards (IPSAS), they urged UNFPA to address the issues pertaining to inventory management. Furthermore, they asked if the present capacity of the DOS Internal Audit Branch was sufficient to both monitor implementation of the 15 recommendations and undertake a sufficient number of country assessments. They welcomed the efforts to prevent and detect financial misconduct and encouraged continued reporting on it in the DOS annual report, including estimates of financial loss. The delegations were encouraged by the substantive reduction in post vacancies and asked UNFPA to maintain the progress achieved.

86. The Deputy Executive Director (Management) thanked the Member States for their acknowledgement of the significant work undertaken by UNFPA to respond to the audit recommendations. She agreed that in future reports UNFPA would specify the units/divisions responsible for implementation of the 15 DOS recommendations. She added that, like UNDP, UNFPA would provide information on follow-up to investigations of misconduct. Regarding IPSAS, she assured the Executive Board that UNFPA was confident about addressing inventory management and fixed assets by the end of the year. She noted that vacancy management was part of the business plan implementation and UNFPA would continue its focus on improving recruitment speed and succession planning.

87. The Director, DOS, referred to the joint audit work with UNDP and other agencies, and the issuance of a single report on the harmonized approach to cash transfers and Delivering as One; as well as to the joint work at the level of the Meeting of Representatives of Internal Audit Services of the United Nations Organizations, Multilateral Financial Institutions and Associated International Organizations. Noting that DOS had three functions, namely, evaluation, internal audit and investigation, she observed that the adoption of a decision on the public disclosure of internal audit reports would increase the Internal Audit Branch workload. She noted that maintaining audit coverage and complying with confidentiality safeguards posed a challenge for DOS and she welcomed management support in addressing it. Regarding audit coverage, she stated that in 2012 the DOS plan was a balance between country office engagements and headquarters engagements, the latter being cross-organizational in nature. Noting that some donors had requested access to NEX audit reports, she pointed out that those were not UNFPA reports and the organization’s role was to serve as a conduit and ask the implementing partners if they were willing to disclose their reports to the requesting donors. Regarding misconduct, she supported disclosure of actions taken following investigations, as it acted as a deterrent measure. She concluded by thanking her UNDP counterpart (who would be retiring) for his collaboration.

88. The Chair of the UNFPA Audit Advisory Committee (AAC) stated that the Committee took its responsibilities seriously. Concerns regarding NEX had been reported by AAC since its first report. The AAC Chair registered his satisfaction that the UNFPA audit qualification had been removed. He attributed that

accomplishment to the strong leadership of the UNFPA Executive Director and the Director, Division for Management Services.

UNOPS

89. Delegations expressed appreciation for the ongoing strengthening and progress of transparency and accountability in UNOPS over the last four years and in 2011. They specifically commended the introduction of the simple reporting format that emphasizes clear observations, objective analysis and action-oriented recommendations. They hoped this would enhance effectiveness of the audit function, as well as make reports more user-friendly tools for managers.

90. Delegations were pleased with the improved quality of submitted recommendations and the quantity of actions taken on recommendations. However, they expressed concern that no audit received a satisfactory rating in 2011 and that project and internal audit reports revealed recurring weaknesses in project management, financial controls, procurement, and human resources. They urged for these systemic issues to be addressed as soon as possible. One delegation emphasized the need for regional and country offices to be more scrupulous and timely in the implementation of audit recommendations to achieve satisfactory auditor's assessments, and in this regard, for improved monitoring and oversight and instructions to staff.

91. The UNOPS Director of Internal Audit and Investigations Group and the Deputy Executive Director had no additional comments.

Disclosure of internal audit reports

92. The UNDP Associate Administrator presented, on behalf of UNDP, UNFPA and UNOPS, the proposal for achieving full transparency with regard to disclosure of internal audit reports (DP-FPA-OPS/2012/1). The UNDP Director, Office of Audit and Investigations, noted the increase of interaction with Member States on the disclosure of internal audit reports and welcomed further discussion as needed in the future.

93. No delegations took the floor.

94. The Executive Board adopted decision 2012/18: Reports of UNDP, UNFPA and UNOPS on internal audit and oversight activities in 2011.

X. Reports of the UNDP, UNFPA and UNOPS Ethics Offices

95. The former Director, Ethics Office, UNDP, the Adviser, Ethics Office, UNFPA, and the Director, Internal Audit and Investigations Group, on behalf of the Ethics Officer, UNOPS, introduced the annual reports on activities (DP/2012/14; DP/FPA/2012/10; and, DP/OPS/2012/6).

96. The UNDP Associate Administrator and the UNFPA Deputy Executive Director (Management) presented the respective management responses. The Deputy Executive Director, UNOPS, provided a brief comment.

97. In their general remarks addressed to the three organizations, delegations thanked management for their leadership and commitment to promoting a culture of ethics and recognized the increase in the number of requests for services within the

respective ethics offices in 2011. Delegations stressed the critical role of the ethics function in promoting integrity. They encouraged management to treat ethics as a high priority and to use all available training opportunities and resources to bring ethics issues to the attention of staff.

98. Delegations stressed the importance of whistle-blower protection as it affects the ability of staff members to report fraud, waste and abuse. They were interested to know what steps the organizations would take to ensure that staff members felt confident in the protection they would receive if targeted for retaliation.

99. In emphasizing the crucial role of training and outreach, delegations urged increasing activities in those areas, including face-to-face training and various technological options, such as e-learning, for cost-effectiveness.

UNDP

100. Delegations commended UNDP for receiving a positive peer review on its work. They were especially pleased with the high rate of financial information disclosure compliance during the year. However, they identified late filing as an area for improvement. They also expressed concern for timely resolution of conflict of interest cases, noting that a number still remained from the 2009 cycle. In this regard, they wanted information on actions taken to resolve conflicts or use of sanctions for non-compliance.

101. The former UNDP Director, Ethics Office, then updated the Executive Board on steps taken and outcomes in closing the aforementioned remaining conflict of interest cases. She also reaffirmed the organization's commitment to step up communication to staff on whistle-blower protection efforts.

UNFPA

102. Several delegations commended the work of the UNFPA Ethics Office and noted the commitment of UNFPA management to enhancing a culture of ethics in the organization. They underscored the importance of the timely submission of financial disclosure statements and inquired about the follow-up undertaken on the one conflict of interest situation that was identified. They inquired about the steps taken to address staff concerns about retaliation.

103. The Adviser, Ethics Office, UNFPA, thanked delegations for their constructive comments. She noted that 75 per cent of the required staff had filed their financial disclosure statements on time and the remainder had done so within two weeks of the deadline and had informed the Ethics Office. She assured the Executive Board that UNFPA would strive for deadline compliance. Regarding the one conflict of interest situation, she informed the Board that it was in relation to an outside activity and had been satisfactorily resolved: the Ethics Office had followed up with the staff member to ensure that the processes were followed to secure authorization. Concerning the issue of retaliation, she clarified that retaliation may occur outside the ambit of the whistle-blower protection policy and, thus, management would need to ensure that no form of retaliation occurs in the organization.

UNOPS

104. Delegations reiterated their appreciation for a high rate of compliance of financial disclosure in 2011. Along these lines, they requested more information regarding any late filing issues in UNOPS.

105. The UNOPS Deputy Executive Director explained the special challenges for UNOPS of timely filing of financial disclosure, which has been in part due to the significant number of contractors who do not work for UNOPS on a day-to-day basis. He also provided an overview of actions already taken to successfully remedy this issue.

106. The Executive Board adopted decision 2012/19: Reports of the ethics offices of UNDP, UNFPA and UNOPS.

UNFPA segment

XI. Statement by the Executive Director and annual report of the Executive Director

107. In his statement the Executive Director focused on UNFPA progress and achievements in 2011, the global policy environment, and the challenges facing the organization and how it was responding to them. He underscored the interlinkages between the Rio+20 outcome, the United Nations development agenda post-2015 and the goals of the International Conference on Population and Development (ICPD). He stressed the need to remain resolute in achieving the Millennium Development Goals (MDGs), including tackling inequalities, particularly regarding addressing the needs of the most vulnerable, namely, young people and women, particularly adolescent girls. The Executive Director discussed United Nations coherence, One United Nations, Delivering as One and the upcoming quadrennial comprehensive policy review of operational activities for development of the United Nations system (QCPR). He focused on other areas of critical importance to UNFPA operations: humanitarian response; staff security; evaluation; financial regulations and rules, and the budget; the revised strategic plan and the business plan; the expected clean audit, largely due to the turnaround in the area of the national execution modality; the upcoming London Family Planning Summit; and resources. Underscoring his commitment to accountability, he stated that UNFPA practiced zero tolerance of unethical behaviour. He thanked delegations for their support and looked forward to continued close engagement with the Executive Board.

108. Numerous delegations commended the Executive Director's insightful statement and the update on the business plan implementation. Noting the results delineated in the annual report (DP/FPA/2012/6, Part I, Part I/Add.1, and Part II), delegations appreciated the improvement in reporting, particularly the transparency in discussing challenges in such areas as evaluation and the implementation of audit recommendations.

109. Several delegations commended the annual report's results analysis, including the clear reporting in relation to targets and indicators of the development results framework (DRF) and the management results framework (MRF); and the analysis of lessons learned and challenges. Some delegations stated that they expected that under the revised results framework there would be further improvements in

systematic results reporting with clearer analysis on how activities and outputs related to outcomes and impacts at country level. While some delegations requested more information on results achieved, others called for a more descriptive rather than an indicators-driven report on progress, as it would afford more details of work done on the ground. They expressed concern that there was a lack of data for a sizeable number of indicators and urged UNFPA to indicate in future annual reports the measures undertaken and the progress achieved in enhancing data quality and availability. Further reporting was requested regarding the Fund's partnership with other multilateral agencies, including UN-Women. One delegation noted that a balanced representation from programme countries within the United Nations funds and programmes, in particular UNFPA, would contribute positively to policy formulation and programme implementation.

110. Delegations hoped that the process for developing the new strategic plan would be as inclusive and consultative as the midterm review (MTR) process. It was stated that the new strategic plan should demonstrate an improved focus on how UNFPA would deliver and measure results and ensure "clear value for money" both through programming choices and resource allocation. In that regard, cost-effectiveness and strong financial management were emphasized. One delegation commented on the need to review the system for the allocation of UNFPA resources to country programmes.

111. Several delegations referred to the previous week's Rio+20 conference and noted the references in the outcome document to sexual and reproductive health (SRH), including family planning. They urged an intensification of international efforts to achieve MDG 5. The key role of UNFPA in addressing the SRH needs of women and men, including young people; and the importance of the Fund's human rights-based approach were underscored. UNFPA was encouraged to further emphasize the importance of involving men and boys in all aspects of reproductive health and rights. Some delegations noted that UNFPA should work closely with non-governmental organizations and women's and youth groups to ensure the inclusion of population issues in the new development goals.

112. A number of delegations welcomed the contribution of UNFPA to achieving a positive outcome at the Commission on Population and Development. One delegation asked that UNFPA provide a briefing on the ICPD Beyond 2014 process at the Executive Board's next session. Numerous delegations underscored that the upcoming QCPR offered important opportunities to strengthen the focus on results and effective collaboration amongst agencies at the country level. In that regard, UNFPA was encouraged to share with Member States challenges, lessons learned and obstacles encountered.

113. Delegations appreciated the strengthened focus on the country programme development process. The Fund's commitment to United Nations reform and system-wide coherence, including the harmonization of business practices, was noted with satisfaction. Several delegations underscored the importance of South-South cooperation and triangular cooperation, particularly in delivering results. They called on UNFPA to increase support for South-South cooperation. One delegation encouraged UNFPA to continue building synergies between economic and social programmes and looked forward to future reporting on it. A number of delegations commended the work of UNFPA in coordinating the joint field visit of the Executive Boards of UNDP/UNFPA/UNOPS, UNICEF, UN-Women and WFP to

Djibouti and Ethiopia. The Fund's ongoing efforts to implement its second-generation humanitarian response strategy were commended and UNFPA was encouraged to increase technical and management capacity at subregional and country levels for improved preparedness and response, as well as to work effectively with partners in crisis and humanitarian settings.

114. The African States noted that countries in Africa faced many challenges, in particular, MDG 5 was far from being achieved. It was underscored that if the ICPD goals and the MDGs were to be met, socioeconomic inequalities must be addressed and, in particular, educational and job opportunities must be increased, especially for young people. The need for further engagement by the international development community was underscored.

115. The Asian States noted that, with the world population increasing, UNFPA would need to continue delivering on its mandate, particularly in addressing the needs of marginalized and vulnerable population groups; and in strengthening programmes focusing on gender equality and women's rights. It was stated that employment and job creation should be elements of future programmes and UNFPA should collaborate with other partners in those areas. In that regard, the Rio+20 outcome document provided guidance.

116. UNFPA was asked to be more active in seeking value for money in procurement, including the best prices for commodities security. Noting that steps were under way to strengthen the skills of procurement staff at headquarters, one delegation asked what action was being taken to improve the procurement capability of staff in the field.

117. While noting that there had been a strengthening of the UNFPA evaluation function and an increase in the number of country programme evaluations, some delegations expressed concern regarding the quality of evaluations. They looked forward to the conclusion of the review of the UNFPA evaluation policy, undertaken by the United Nations Office of Internal Oversight Services (OIOS), and indicated that they were ready to work with UNFPA on ways in which the review's recommendations could be implemented. They encouraged UNFPA to continue strengthening the evaluation function in the Fund; and to improve the oversight, risk management, audit and investigation functions. It was underscored that an independent and strengthened evaluation office was critical for transparency and for all stakeholders to have confidence in the work of UNFPA.

118. Several delegations expressed support for the proposal for achieving full transparency with regard to the disclosure of internal audit reports. Delegations congratulated UNFPA for having signed up for the International Aid Transparency Initiative.

119. Some delegations referred to the upcoming London Family Planning Summit and noted that it offered an opportunity to take urgent action in addressing the unmet need for family planning. The Summit would provide innovative public-private and civil society partnerships to transform the lives of women, men and adolescents. UNFPA leadership in building support for the Summit continued to be critical. The delegations recognized the UNFPA Executive Director's commitment to strengthening the Fund's work on family planning, including through the efforts of the flagship Global Programme for Reproductive Health Commodity Security.

120. The Executive Director thanked the Executive Board for its support and the positive and constructive comments on UNFPA work, including the Fund's leadership role in promoting reproductive health and rights. He appreciated the Board's feedback regarding clear reporting in relation to targets and indicators and the inclusion of challenges and lessons learned. He noted that the next annual report, based on the revised results frameworks, would be a further improvement. Providing specific country examples, he elaborated on the significant impact resulting from the extrabudgetary resources for family planning and noted that the data demonstrated "value for money" and a need for increased funding to meet high unmet need. He stated that improving maternal health and reducing maternal mortality and morbidity required longer term investments in systems strengthening and capacity-building, including strengthening health systems and building a cadre of competent health workers with midwifery skills. He highlighted the gaps that existed at the policy, financing and delivery levels and the barriers women and adolescents faced in accessing services. In many countries, emergency obstetric and newborn care did not exist or was of inadequate quality. He elaborated on the Fund's sharpened country focus, including realigning country programmes to reflect the revised DRF; and a recommitment to integrated support to the field as a key priority, including the establishment of two cross-divisional thematic clusters (on women's reproductive health; and adolescents and youth).

121. Given the Fund's significant efforts, the Executive Director was optimistic that a clean audit would be obtained for 2010-2011. Regarding the quality of evaluations, he concurred that the quality was not as high as desired. He provided details of the comprehensive strategy being implemented to improve evaluation quality, including the strengthening of results and monitoring and evaluation frameworks; the development and enhancement of guidelines; and staff training. UNFPA looked forward to the outcome of the OIOS review of the evaluation policy. The Executive Director reiterated the Fund's commitment, inter alia, to the QCPR, system-wide coherence, Delivering as One and United Nations reform. He appreciated the feedback regarding UNFPA humanitarian response and stated that it was necessary to mainstream humanitarian response in order to deliver better. Furthermore, additional resources were required. He delineated measures that UNFPA had put in place to enhance efficiency, optimize results and ensure value for money, including measures to build staff capacity on procurement. He assured the Executive Board of his commitment to continue strengthening accountability and transparency. He thanked the Board for its support and encouragement and looked forward to working closely with the Board in developing the new strategic plan and the integrated budget.

122. The Executive Board adopted decision 2012/14: Report of the Executive Director for 2011: progress in implementing the UNFPA strategic plan, 2008-2013.

XII. Funding commitments to UNFPA

123. The Director, Information and External Relations Division, introduced the report on contributions by Member States and others to UNFPA and revenue projections for 2012 and future years (DP/FPA/2012/7) and provided an update on the revenue forecast estimates for regular and co-financing resources.

124. Several delegations appreciated the clear and comprehensive report and noted that despite a challenging global economic climate UNFPA had managed to increase the Fund's revenue by 7.6 per cent in 2011. They commended UNFPA on the impressive achievement, while adding that they would have liked to see an increase in contributions to regular resources. They shared the Executive Director's concern regarding the trend towards increased co-financing resources and a decrease in contributions to regular resources. They underscored that regular resources were the bedrock of UNFPA activities and the Fund's ability to deliver on the strategic plan. While stating that they gave priority to regular resources in their contributions to UNFPA, they encouraged other donors to consider increasing or prioritizing contributions to regular resources.

125. The Executive Director thanked the delegations for being strong advocates for regular resources funding. He encouraged all traditional and emerging donors to assist UNFPA in implementing the development agenda that the Fund drives. He emphasized that UNFPA would engage the Member States in transforming the landscape for the achievement of the Millennium Development Goals. He underscored the importance of South-South cooperation, including for mobilizing resources.

126. The Executive Board adopted decision 2012/15: Report on contributions by Member States and others to UNFPA and revenue projections for 2012 and future years.

XIII. Country programmes and related matters

127. The UNFPA Deputy Executive Director (Programme) provided an overview of the 12 draft country programme documents (CPDs) submitted to the Executive Board for review: for Africa — Guinea, Lesotho and Sierra Leone; for Arab States — Djibouti and Jordan; for Asia and the Pacific — India, Nepal, Pacific Island countries and territories, and Sri Lanka; for Eastern Europe and Central Asia — the Republic of Moldova; and for Latin America and the Caribbean — Bolivia and Costa Rica. She also introduced programme extensions for: Comoros, Guinea-Bissau, Mali, Namibia, Nigeria, Rwanda and Togo from the Africa region; the Syrian Arab Republic and Tunisia from the Arab States region; Bhutan from the Asia and the Pacific region; and Colombia, Cuba and Mexico from the Latin America and the Caribbean region. Next, the UNFPA Regional Directors for Africa; Arab States; Asia and the Pacific; Eastern Europe and Central Asia; and Latin America and the Caribbean elaborated on the programmes from their respective regions.

128. Delegations appreciated that UNFPA had engaged in close consultation with the respective Governments and development partners in developing the draft CPDs. They commended the alignment with national plans and priorities, as well as the support for Delivering as One. Furthermore, they commended the key role of UNFPA in responding to the reproductive health, including family planning, priorities of countries; addressing the needs of adolescents and youth, and underserved population groups; and focusing attention on gender equality and the prevention of gender-based violence. UNFPA was invited to share and disseminate examples of programme success stories. Several delegations appreciated the support provided by UNFPA and referred to their respective country's long-standing partnership with UNFPA.

129. Some delegations commented on specific draft CPDs, including suggestions regarding the need to: further reduce maternal mortality; increase collaboration with

bilateral and other development partners, including those working to address humanitarian situations; increase support for Demographic Health Surveys; increase the percentage target for young women and men with comprehensive knowledge of HIV and AIDS; address contraceptive commodity security challenges; and enhance the focus on risk mitigation.

130. Some delegations commended the tiered programme approach and the internal review process introduced in some programmes. They supported the focus on a modest number of specific outputs and drew attention to the significant maternal and child health challenges and large unmet needs in family planning in some countries and territories. Delegations also supported the priority UNFPA placed on training, as well as UNFPA efforts to improve data integrity and build local capacity. The emphasis on South-South cooperation was welcomed, including partnerships with the private sector. Some delegations commended UNFPA for effectively coordinating the 2012 joint field visit of the Executive Boards of UNDP/UNFPA/UNOPS, UNICEF, UN-Women and WFP to Djibouti and Ethiopia.

131. The Deputy Executive Director (Programme) thanked the Executive Board members for their support. She assured the Board members that in carrying out its work UNFPA would continue to sharpen programmatic focus, including emphasizing clear priorities and targeted outcomes. The UNFPA Regional Directors thanked the delegations for their constructive comments and support and assured the Executive Board that in accordance with decision 2006/36 the comments on the draft CPDs would be conveyed to the concerned countries to take into account in finalizing the CPDs.

132. The Executive Board approved the programme extensions for Colombia, Comoros, Namibia, Syrian Arab Republic and Tunisia; and took note of the programme extensions for Bhutan, Cuba, Guinea-Bissau, Mali, Mexico, Nigeria, Rwanda and Togo. In addition, the Board took note of the following 12 draft CPDs and the comments made thereon: Bolivia, Costa Rica, Djibouti, Guinea, India, Jordan, Lesotho, Nepal, Pacific Island countries and territories, Republic of Moldova, Sierra Leone and Sri Lanka. The comments would be conveyed by UNFPA to the respective countries.

133. The Executive Board adopted decision 2012/17: Request by Rwanda to present a draft common country programme document to the Executive Boards of UNDP/UNFPA/UNOPS, UNICEF and WFP.

XIV. Other matters

Informal consultations

134. The following informal consultations were held:

(a) Informal consultation on lessons learned from annual reporting relevant to the design of the next UNDP strategic plan and the results framework and on the roadmap for the implementation of Executive Board decision 2011/14;

(b) UNOPS informal consultation on the midterm review of the strategic plan, 2010-2013;

(c) Joint informal consultation on the UNDP annual report on evaluation and on the UNFPA biennial report on evaluation.

Part three
Second regular session 2012

Held at United Nations Headquarters in New York from 4 to 10 September 2012

I. Organizational matters

1. The President opened the second regular session 2012 and welcomed all delegations. The Secretary of the UNDP, UNFPA and UNOPS Executive Board, and the Officer-in-Charge, Executive Board and External Relations Branch, UNFPA, provided overviews of the agenda items under the UNDP, UNFPA, UNOPS and joint segments. The Executive Board adopted the agenda and the workplan for the session. One delegation stated that to reduce costs and enhance efficiency the agenda of the Board should be structured in such a way that informal consultations pertaining to specific agencies would take place under their respective segments.

2. In a joint statement, recalling a statement made earlier at the annual session 2012 on the functioning of the Executive Boards, several delegations drew attention to the potential for cost efficiencies that could be realized, inter alia, through improving the planning, management and the conduct of meetings, including effective sequencing and scheduling of sessions and documentation management. The delegations encouraged UNDP, UNFPA and UNOPS to review and learn from the UNICEF Executive Board "PaperSmart" experience in order to minimize the costs related to documentation and to promote environmentally friendly practices.

3. The Executive Board approved the report of the annual session 2012 (DP/2012/15); the reviewed the draft annual workplan 2013 (with amendments); and adopted the tentative workplan of the first regular session 2013. Decisions adopted by the Executive Board in 2012 appear in document DP/2013/2.

UNDP segment

II. Statement by the Administrator and financial, budgetary and administrative matters

4. In her opening remarks to the Executive Board (available on the Executive Board website), the Administrator introduced the annual review of the financial situation 2011 (DP/2012/17 and Corr.1 and 2), detailed information relating to the annual review of the financial situation (DP/2012/17/Add.1) and the explanation of terms used in DP/2012/17 and DP/2012/17/Add.1.

5. Referring to evolving challenges in international development, she focused her comments on the outcome of the United Nations Conference on Sustainable Development (Rio+20), held in Rio de Janeiro in June 2012, work on the post-2015 development agenda and the quadrennial comprehensive policy review of operational activities for development of the United Nations system (QCPR) process. She also touched on the next UNDP strategic plan, the integrated budget, programming arrangements as well as on transparency, accountability and the funding situation.

6. She was pleased to inform delegations that UNDP was webcasting the Executive Board meeting live and was conducting its first Global Twitter Marathon with the participation of more than 24 country offices and regional centres.

7. On Rio+20, she noted that while the summit received mixed reviews from governments and civil society, the outcome document was comprehensive, covering all relevant issues of sustainable development. Although light on firm decisions, its

thrust was fully consistent with the triple-win approach to development policy, based on the concept of people-centred development, strongly endorsed by UNDP.

8. She stressed the importance of action on Rio+20 in the following areas: (a) the Sustainable Energy for All Initiative; (b) the ambitious challenge of achieving zero hunger; (c) going beyond gross domestic product (GDP) using broader measures of progress to inform policy; (d) stronger commitment toward the triple-win approaches; (e) phasing out fossil fuel subsidies and encouraging use of clean fuels; (f) building on the scale of voluntary commitments at Rio+20; and (g) devising the post-2015 development agenda.

9. On the post-2015 agenda, UNDP was focusing in particular on its co-chair role with the United Nations Department of Economic and Social Affairs (DESA), leading the United Nations Post-2015 Task Team. The organization had also accepted and would play an important convening and cooperation role both globally and through the Resident Coordinator system working among all stakeholders in the post-2015 process.

10. She noted that QCPR negotiations would build on post-Rio+20 follow-up and set directions for the United Nations system in the deliberation of the post-2015 development agenda. Given global development challenges, she stressed that QCPR had to give the United Nations the mandate to fulfil its role, including its normative role, convening power and universality. Ideally, QCPR would help to strengthen national ownership, building on the experience of Delivering as One, and stress the role of South-South cooperation, its importance for capacity-building, inclusiveness and diversity of partners. Member States could boost QCPR by expanding its applicability across the United Nations system. UNDP was working closely with the United Nations Development Group, which stood ready to assist Member States in the QCPR process.

11. On the UNDP strategic plan, she highlighted that UNDP work on its results framework was set to take a quantitative leap forward by being more straightforward and strategic. Pilots were already under way to test ideas. The integrated resource plan and the integrated budget would serve as a comprehensive resource allocation mechanism in support of the new plan. The first integrated budget would come to the Executive Board for approval at the second regular session in 2013. She was optimistic that the Board would reach consensus on programming arrangements at the current session on the preferred target for resource assignment from the core (TRAC)-1 eligibility option and TRAC-1 allocation model. This was important as the Board needed to focus on other issues related to programming arrangements in anticipation of its approval of the integrated budget at the second regular session 2013. The strategic plan would be ready for preliminary review by Board members early in 2013.

12. The Administrator highlighted that in 2011 total contributions to UNDP, inclusive of the United Nations Capital Development Fund (UNCDF), were $5.1 billion, a 3 per cent decrease from 2010 after adjusting for the move of activities of the United Nations Development Fund for Women (UNIFEM) to the United Nations Entity for Gender Equality and the Empowerment of Women (UN-Women). Total expenditure in 2011 was $5.57 billion, a decrease from 2010. Regular resource contributions rose slightly from the previous year by 1 per cent to $975 million after three years of consecutive falls, due mainly to favourable exchange rates. Projections for 2012 foresaw continuing decrease. The overall

balance of unexpended resources at the end of 2011 continued to fall to $4.69 billion, reflecting delivery rates on excessive income, leaving a net total amount of unexpended resources at $333 million. She stressed that the great majority of resources had been programmed and had a multi-year programming arrangement and underlined that the ability of UNDP to fulfil its mandate depended on predictable, multi-year core resources.

13. She noted that following Executive Board endorsement of public disclosure of internal audit reports at the annual session 2012, UNDP had been posting executive summaries of audit reports on its website since July 2012. The full reports would be posted beginning in December 2012. Larger amounts of data would also be made available publically online in line with the International Aid Transparency Initiative by end 2013. UNDP had been taking the lead in promoting transparency within the United Nations system, encouraging other organizations to join.

14. Thanking the Administrator for her comprehensive remarks, delegations concurred that the outcome of the QCPR negotiation would provide important guidelines in the preparation of the next UNDP strategic plan and the integrated budget. They also stressed the need to define the parameters for programming arrangements, processes and institutional arrangements. The QCPR, it was noted, should focus on strengthening the role of the United Nations, specifically with regard to funding and operational activities. There were also calls for UNDP to step up its work on South-South cooperation and improve capacity within the Resident Coordinator system so that UNDP could ensure its coordination role. A number of delegations reiterated that poverty eradication was the very purpose of development cooperation, with the economy-poverty nexus at its centre, and should be clearly reflected in the QCPR.

15. Delegations continued to express concern for the decline in predictable, long-term core resources, stressing that the continued decline would jeopardize the ability of UNDP to fulfil its mandate. Developing countries, they noted, had already been hit hard by setbacks owing to crises, conflict and climate change. Delegations also urged UNDP to make every effort to mobilize additional resources. A number of delegations urged countries to honour their funding commitments, especially with regard to core resources. Delegations fully supported and sought the expansion of the continued universal presence of UNDP in programme countries.

16. Delegations commended UNDP for its progress in the area of audit transparency and programme accountability, stressing that the next strategic plan should also benefit from a robust accountability framework. Results-based management principles should also guide allocation of resources and all levels of programme management should be subject to independent evaluations. Delegations stated that they were ready to work closely with UNDP in finalizing the strategic plan and the integrated budget.

17. In response, the Administrator thanked Executive Board members for the goodwill expressed in their statements across the board for the work of UNDP. She reiterated the importance of 2012 for the organization, highlighting again its vital work on Rio+20, the post-2015 development agenda, the QCPR and its work on the new strategic plan. She stressed that UNDP was ready to live up to Board members' expectations but could only do so with their full support, in particular in developing a relevant and effective strategic plan buttressed by a strong accountability framework. She thanked Board members again for their active engagement in

refining the strategic plan and assured them that the organization was fully committed to building a monitoring and reporting framework that would allow it to report to the Board effectively in implementing the plan. She emphasized again the importance of reaching consensus on programming arrangements, which would also feed into concurrent discussions on the next strategic plan and the integrated budget.

18. On funding, she noted that a number of delegations referred to a 7 per cent decrease from 2010. However, the Administrator stressed that the 7 per cent figure reflected the inclusion of UNIFEM as a UNDP-associated programme in total funding, which was the practice in the past. When taking into account the subsuming of UNIFEM into UN-Women, the actual decrease, she noted, was 3 per cent.

19. Turning to the issue of the balance between non-core and core resources, the Administrator underscored that her main concern was that the quality of core resources would be enough to give the critical mass for UNDP to fulfil its mandate and be strategic, maintaining a meaningful universal presence in programme countries. In that regard, she drew attention to the importance of its universal presence for South-South and triangular cooperation initiatives. In highlighting the importance of non-core resources, which UNDP greatly appreciated, she affirmed that the organization took whatever measures necessary to maintain the reserve requirements set by the Executive Board. She noted that UNDP continued to review its cost structures for greater efficiency and was dedicated to mobilizing additional resources to ensure its ability to fulfil its mandate. In that regard, she stressed that core resources were reserved for programme activities, not management or administrative functions.

20. She again thanked Executive Board members for their engagement, comments and feedback and stated that UNDP would be fully engaged with them throughout the QCPR and post-2015 processes.

21. The Executive Board adopted decision 2012/21 on the annual review of the financial situation, 2011.

III. Country programmes and related matters

22. The Associate Administrator, UNDP, introduced the following 12 draft country programmes: Cameroon, Democratic Republic of the Congo, Equatorial Guinea, Liberia and South Africa from the Africa region; Myanmar and Nepal from the Asia and the Pacific region; Libya, Sudan and the United Arab Emirates from the Arab States region; and Haiti and Nicaragua from the Latin America and the Caribbean region.

23. She also introduced the draft common country programme for Pakistan from the Asia and the Pacific region, as well as the draft subregional programme document for the Pacific Island countries and territories. She also presented the request by Eritrea to present, on an exceptional basis, the UNDP and UNFPA draft country programme documents for Eritrea at the first regular session 2013. In turn the UNDP regional directors for Africa, the Arab States, Asia and the Pacific, and Latin America and the Caribbean elaborated on the programmes from their respective regional perspectives.

24. Delegations thanked UNDP for its ongoing cooperation, commitment and support to their respective countries. They commended the organization for the scope and ambition of the country programmes, noting that they had been developed in close consultation with the government and other development partners and were aligned with national priorities and plans. Reflecting on areas for improvement, they encouraged UNDP to focus on: (a) reinforcing country analysis and assessment capacities; (b) ensuring systematic country analyses and assessments of country programmes as a standard part of the programme cycle; (b) building stronger monitoring, evaluation and reporting systems; (c) devising tighter, more useful results and resources frameworks with targeted results statements; (d) ensuring better culling of lessons learned to inform management decisions and the development of future programmes; and (e) working toward stronger synergies with partners at the country level. Specific comments made by a number of delegations on some of the draft country programme documents would be conveyed to the concerned countries.

25. The Executive Board took note of the following 12 draft country programme documents and the comments thereon: Cameroon, Democratic Republic of the Congo, Equatorial Guinea, Liberia, South Africa, Myanmar, Nepal, Libya, Sudan, United Arab Emirates, Haiti and Nicaragua. The Board also took note of the draft common country programme for Pakistan and the draft subregional programme document for the Pacific Island countries and territories.

26. The Board adopted decision 2012/22 to review and approve, on an exceptional basis, the UNDP and UNFPA draft country programme documents for Eritrea at the first regular session 2013.

27. In accordance with decision 2006/36, the following 13 country programmes, which were discussed at the annual session 2012, were approved by the Executive Board on a no-objection basis, without presentation or discussion: Guinea, Lesotho, Mauritius and Sierra Leone from the Africa region; India, Malaysia and Sri Lanka from the Asia and the Pacific region; Djibouti and Jordan from the Arab States region; the Republic of Moldova from the Eastern Europe and Commonwealth of Independent States region; and Belize, Bolivia (Plurinational State of) and Costa Rica from Latin America and the Caribbean region.

28. The Executive Board also approved the six-month extension of the country programme for Egypt, as well as the second one-year extension of the UNDP country programme and operations in the Syrian Arab Republic to support humanitarian assistance, livelihoods and coordination activities.

IV. Evaluation

29. The Director, Evaluation Office, UNDP, introduced the annual report on evaluation (DP/2012/20). The Associate Administrator, UNDP, provided an overview of the organization's work to strengthen its culture of evaluation and learning and presented the perspective of UNDP management on issues raised in the annual report on evaluation.

30. The Evaluation Adviser and Task Manager, Evaluation Office, UNDP, introduced the evaluation of the UNDP contribution to strengthening electoral systems and processes (DP/2012/21); the Director, Bureau of Development Policy,

UNDP, presented the management response to that report (DP/2012/22). The Evaluation Adviser and Task Manager, Evaluation Office, UNDP, introduced the evaluation of UNDP partnership with global funds and philanthropic foundations (DP/2012/23); and the Director, Bureau of Development Policy, UNDP, presented the management response to that report (DP/2012/24). The Director, Bureau for External Relations and Advocacy, provided additional comments to the management response to the evaluation of UNDP partnerships with global funds and philanthropic foundations.

31. Delegations commended UNDP and the Evaluation Office for its work to strengthen the quality of the evaluation function and to reinforce a culture of evaluation among management and staff through useful guidance tools, capacity building at both the national and global levels, and the development of an online evaluation tool. The work of UNDP to build national-level evaluation capacity was particularly appreciated. Delegations stressed that high quality evaluations were a key component of programme cycles, essential for informing and developing policy, ensuring efficient, effective results-based management, assessing the impact of results, gaining lessons learned and encouraging and motivating staff.

32. They were pleased with the increased number of evaluations conducted in 2011 and were encouraged that country-level evaluations were feeding into country programme documents. They also appreciated the evaluation finding, with regard to the 15 assessments of development results, that UNDP was clearly contributing to the development process at the national level and was generally viewed as a valued partner. They encouraged UNDP to provide greater analysis of the root causes and trends of development challenges in future annual reports and to integrate a human rights-based approach in the evaluation function. They looked forward to future evaluations that would benefit from the new evaluation tools that the organization was setting up.

33. A number of delegations noted with concern that the annual report brought to light a number of shortcomings. They pointed in particular to the finding that almost a third of decentralized evaluations were deemed moderately unsatisfactory or unsatisfactory and to the finding that UNDP needed to do more at the country level to build capacity, improve efficiency and ensure sustainability of development results. On sustainability, while recognizing that government's limited capacity and resources might often impede sustainability of development results, it was stressed that the organization was ultimately responsible for ensuring the achievability of results from the outset. With that in mind, UNDP was urged to reinforce its partnerships as a first step towards ensuring sustainability, especially with government, and aligning with national development priorities.

34. Delegations requested that UNDP provide a framework with clear actions and a time frame of implementation to address those shortcomings. They also asked for information on what UNDP was doing to assess its own capacity to meet evaluation demands, strengthen inter-agency cooperation and develop a strategic plan with clear objectives and results. They also wished to know how UNDP was assessing the implementation of its management responses, stressing that management responses to decentralized evaluations were crucial. In that regard, more information was requested on the function and role of the national reference groups.

35. One delegation regretted the lack of information on joint evaluations. Expressing interest in thematic evaluations, it wished to learn more about the

evaluation of the organization's poverty reduction mandate. Another delegation encouraged UNDP to build mechanisms into country level programming to offset potential setbacks and capacity gaps, with clearly delineated roles and responsibilities for all partners.

36. On the evaluation of electoral systems and processes, delegations were pleased with the report. Given the organization's vital work in this area and the broad recognition of the positive results it had achieved, delegations encouraged UNDP to reinforce its electoral support capacities and further integrate them in its next strategic plan and integrated budget. They were pleased to see strategic planning in the management response to address the challenges identified by the evaluation.

37. Delegations expressed concern with the report's findings that the organization had not fully utilized its good knowledge and electoral support capacities. They noted, in that regard, the finding that UNDP did not adequately focus on the electoral cycle approach and at times applied costly and not always context-specific appropriate interventions. UNDP, they noted, needed to better capitalize on evaluation findings for learning purposes to devise ways to ensure the sustainability of its capacity-building work. In that regard, they urged UNDP to pay greater attention to the broader governance framework within a country to support democratization, especially the long-term capacity of governance institutions. They urged UNDP to work closely with national authorities to set up a proper monitoring and evaluation system with nationally established benchmarks as part of its electoral support strategies.

38. There was a call for UNDP to undertake its country-level activities, including evaluations, only under the leadership and approval of national governments as expressed in the triennial comprehensive policy review of operational activities for development of the United Nations system (TCPR). In that regard, the primacy of multilateralism was stressed. It was also noted that evaluations would allow the organization and its partners to determine if UNDP was fulfilling its mandate, which would only be further hampered as a result of the ongoing decline in core resources.

39. On the evaluation of global funds and philanthropic foundations, delegations were pleased to note growing UNDP partnerships in this sector. In response to the challenges noted in the evaluation findings, they strongly encouraged UNDP in its partnership with global funds to strengthen its work to build capacity at the national level and to engage more closely with civil society partners in programme delivery. They sought further information on what UNDP was doing to strengthen those partnerships within the next strategic plan.

40. One delegation, focusing on UNDP evaluation work with the Global Environment Facility (GEF), requested clarification on three points made in the management responses to the annual report on evaluation: (a) the adoption of innovative services; (b) reducing fees for services; and (c) reducing dependency on GEF, especially in terms of direct access. On the Global Fund to Fight HIV/AIDS, Tuberculosis and Malaria, the delegation stressed that the UNDP role as principle recipient should be interim and time-limited, with a clear capacity-building role, including exit and capacity-building plans to support greater, long-term country ownership.

41. Delegations provided additional comments on the annual report on evaluation. They encouraged UNDP to strengthen its evaluation capacity and function,

especially for decentralized evaluations, in order to build national evaluation capacity. They noted that UNDP needed to do more to feed evaluation findings and lessons learned into its programming and thematic areas of expertise. They also saw evaluations as a useful tool for building the confidence of partners and stakeholders. The Evaluation Office should therefore be adequately funded and staffed. A number of delegations requested further information on the evaluation capacity of United Nations Volunteers in particular. They also sought clarification on how UNDP intended to enforce evaluation compliance for country programmes.

42. In response, the Director, Evaluation Office, UNDP, highlighted, with regard to the issue of quality control, that UNDP was in the process of setting up an experts' panel to peer review and critique its work, thereby helping to ensure long-term oversight of the evaluations conducted in the Evaluation Office. He noted that the finding of poor quality of decentralized evaluations was generally consistent with findings from past annual reports on evaluation. The 2011 annual report piloted the use of a rating scheme for the first time, allowing a more calibrated set of findings on decentralized evaluation quality. The Evaluation Office would continue to use that rating scheme in the future and would track year-by-year changes in country office performance. Reflecting on an Executive Board request for more analysis in annual reports on programme best practices, he indicated that the Evaluation Office would do so, with more in-depth analysis included in the 2012 annual report. The Director also noted that in 2013 the Evaluation Office intended to set up regional advisory panels, involving evaluation experts and institutions, which could be called on to support the Evaluation Office, as well as UNDP bureaux and country offices, in the implementation of future evaluations at the regional and local level. He noted that while joint evaluations were performed at the headquarters level they were less frequent at the country level, although the organization was seeking to expand the number of joint evaluations, where appropriate. He highlighted that UNDP was indeed committed to maximizing the use of national capacity when conducting evaluations while at the same time seeking to ensure the highest degree of objectivity, which the use of national capacity may at times compromise. UNDP was also fully committed to culling lessons learned from the various evaluations conducted.

43. The Associate Administrator, in sharing the perspective of UNDP management, began by addressing the issue of the sustainability of development results, indicating that UNDP had approached the issue from different angles given its level of complexity. In that regard, she stressed the importance of building and maintaining partnerships and focusing heavily on capacity building. She tackled the issue of decentralized evaluations from two different perspectives: (a) building national capacity to perform evaluations, after which evaluations would be conducted and managed by entities outside UNDP; and (b) maintaining a reliable and strong roster of expert evaluators, over which UNDP had direct control. With regard to the latter, UNDP was reinforcing its roster of expert evaluation consultants at the regional level. She concurred with and highlighted that UNDP was working to ensure the integration of the human rights-based approach in evaluations. She assured delegations that UNDP was committed to ensuring that all its country offices would include decentralized evaluation plans and budgets in their country programmes.

44. The Executive Board adopted decision 2012/23 on the: (a) annual report on evaluation and the management response; (b) evaluation of the UNDP contribution to strengthening electoral systems and processes and the management response; and

(c) evaluation of the UNDP partnership with global funds and philanthropic foundations and the management response.

V. Programming arrangements

45. The Associate Administrator, UNDP, introduced the report on programming arrangements 2014-2017 (DP/2012/25 and Corr.1) and the Deputy Assistant Administrator and Chief Financial Officer, Bureau of Management, UNDP, made a more detailed presentation of the options put forward.

46. Delegations commended UNDP for its work in the last two years to adjust the programming arrangements to reflect the concerns and needs of Executive Board members, especially with regard to the target for resource assignment from the core (TRAC)-1 eligibility options and TRAC-1 allocation models. While several delegations expressed concern with respect to the impact of the UNDP proposal on TRAC-1 resource levels for low-income countries (LICs) and least developed countries (LDCs), a number of other delegations supported the UNDP proposal, stating that it favoured LDCs, LICs, and Small Island Developing States (SIDS) while meeting the needs of middle-income countries (MICs).

47. Delegations overall stressed that UNDP proposals should not negatively affect LDCs and LICs. Noting the UNDP proposal on its global strategic presence, delegations requested further information with regard to its impact on MICs. Executive Board members recognized the need to reach consensus on the UNDP proposal for programming arrangements at the session, stating that failing to do so would make it difficult to finalize and approve the next strategic plan and integrated budget by the second regular session 2013.

48. Executive Board members looked forward to further consultations on other elements of the programming arrangements framework to include regional, global and fixed programme lines, in order to present a draft proposal for Board review at the first regular session 2013.

49. In response, the Associate Administrator, UNDP, noted that the $350,000 allocation for MICs with gross national income (GNI) per capita below the $6,660 threshold was a minimum but it did not represent the full allocation they would receive. Most MICs, she stressed, would receive higher TRAC-1 allocations, especially those MICs with lower GNI per capita and/or higher population. Furthermore, she highlighted that the UNDP proposals were enhanced to address key concerns highlighted in earlier Executive Board sessions with respect to the vulnerability of those countries that were transitioning from LIC to MIC status in the 2014-2017 period. The MICs with GNI per capita above the $6,660 threshold, she noted, would receive the minimum allocation of $150,000 only. In summary, she stated that the balance which UNDP had achieved under Board guidance ensured that greater emphasis would be given to TRAC-1 resource allocations to LICs and LDCs, including the SIDs, while at the same time ensuring increased support to MICs through the organization's continued programmatic presence.

50. The Deputy Assistant Administrator and Chief Financial Officer, Bureau of Management, UNDP, stressed that countries in transition from LIC to MIC status, while possibly receiving less money as a result of their graduation, would in the end receive an equal amount to what they would have received if they had retained LIC status, thanks to the predictability parameter outlined in the report.

51. The Executive Board adopted decision 2012/28 on programming arrangements, 2014-2017.

UNFPA segment

VI. Statement by the Executive Director and evaluation

52. In his statement (available on the Executive Board website), the Executive Director recalled that in his first address to the Executive Board as the UNFPA Executive Director, in February 2011, he had declared that transparency and accountability would be fundamental principles of his leadership. He stated that twenty months later, the mission remained unwavering. He updated the Board on key issues and developments since the annual session 2012, including on country programmes and the Fund's field focus; evaluation; the UNFPA humanitarian strategy; progress towards the new strategic plan and the integrated budget; the unqualified audit opinion; UNFPA funding; the London Summit on Family Planning; the post-2015 development agenda; and the ICPD[2] beyond 2014 review. Focusing on evaluation issues, he underscored the importance of rigorous evaluation for the overall effectiveness of UNFPA operations and the delivery of programme results. He elaborated on the findings and recommendations of the evaluation reports submitted to the Board and presented his reflections on the way forward. He appreciated the valuable guidance from the Board members and assured them that UNFPA would continue to closely engage them in the process of revising the UNFPA evaluation policy. He underscored that under his leadership, evaluation would be a more systematic and strategic endeavour; and the quality, impartiality and independence of the function would be ensured together with its contribution to accountability. Furthermore, the evaluation function set-up would be guided by the United Nations Evaluation Group (UNEG) norms and standards. The Executive Director stated that he would serve as the champion for evaluation in UNFPA. He introduced the new Director of the UNFPA Information and External Relations Division.

53. Delegations appreciated the Executive Director's insightful statement and applauded his leadership, transparency and commitment to according accountability top priority in UNFPA. The Executive Director's openness in engaging in dialogue with Member States was appreciated. Several delegations underlined their confidence in the Executive Director's reform programme that had already yielded results, including a clean audit opinion. Delegations commended the work of UNFPA staff, often undertaken in challenging settings.

54. Several delegations noted the success of the London Summit on Family Planning and the contribution of UNFPA, including in such areas as reducing maternal mortality, addressing family planning barriers, promoting reproductive health and rights, and supporting countries in reaching Millennium Development Goals (MDGs) 4 and 5. The growing role of UNFPA in the global health agenda was acknowledged and UNFPA was urged to strengthen global policy and consolidate support around family planning and development.

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[2] ICPD — International Conference on Population and Development (1994).

55. Delegations commended the work under way to ensure a successful and meaningful ICPD beyond 2014 review. The delegation of Indonesia informed the Executive Board that the ICPD beyond 2014 Global Youth Forum would take place in Bali, Indonesia, from 4 to 6 December 2012. The new youth and adolescent initiatives of UNFPA were welcomed, including the pilot engagement in Brazil on dealing with teenage pregnancy. UNFPA was urged to continue investing in young people — in their health and education, and in providing them opportunities for decent employment. It was noted that such investments should aim to empower young people to be advocates for sustainable development.

56. A number of delegations focused on the opportunities presented by the quadrennial comprehensive policy review of operational activities for development of the United Nations system (QCPR) and the post-2015 development agenda. It was noted that the post-2015 development agenda should be formulated in such a way as to effectively utilize the lessons learned from the process of implementing the current MDGs, taking advantage of the new kinds of partnerships and stakeholder participation that had arisen over the last decade. UNFPA was asked to continue giving attention to the issue of ageing, which was increasingly important for both developed and developing countries. It was stated that demography, HIV and AIDS and reproductive health must continue to stay at the top of the development agenda, including though accelerating interventions on child mortality and maternal mortality.

57. Delegations welcomed the biennial report on evaluation (DP/FPA/2012/8); the independent review of the UNFPA evaluation policy (DP/FPA/2012/17) by the Office of Internal Oversight Services (OIOS); the respective management responses; and the biennial evaluation plan. Delegations underscored the importance of a clear and well-managed evaluation process for the effectiveness and efficiency of UNFPA. They noted the need for independence of the evaluation function, including a proposal by some delegations that the Evaluation Branch report directly to the Executive Director (as was the case in other organizations). Delegations emphasized the importance of coordination and the need for clarity regarding roles and responsibilities pertaining to evaluation. The need for clear differentiation between audit and evaluation was underlined. Delegations underscored that the revised evaluation policy should address the identified gaps, particularly regarding the independence of the evaluation function and an adequate institutional framework. UNFPA was encouraged to start a mapping process to inform the development and implementation of the revised evaluation policy.

58. Delegations highlighted the need for the Executive Board to ensure sufficient core resources and capacity for the UNFPA evaluation function to carry out its responsibilities. Some delegations mentioned having a separate budget line for evaluation. The Board recognized the good progress achieved by UNFPA since the approval of the evaluation policy in 2009, including the increase in country programme evaluation coverage, which was 100 per cent in 2011. Enhancement of the quality of evaluations, including through capacity-building, strengthening results-oriented monitoring, and establishing a trigger mechanism that would avoid system-wide failure, was called for. Concern was expressed regarding the formulation of indicators and outputs; and inadequate time, planning and resources for evaluation. The importance of evaluation guidelines and staff training was emphasized.

59. Delegations emphasized the importance of credible and reliable data and analysis on programme performance; and noted that the scheduling of midterm reviews and programme evaluations should facilitate optimal use of results for programming. They underscored that the evaluation function was a central element of exercising governance and oversight, and of ensuring substantive accountability. They also noted that evaluation was a key to collective learning regarding development activities.

60. Delegations called for ensuring a strong linkage between the evaluation function and the strategic priorities of UNFPA. They underscored the need for establishing a commonly understood vision for evaluation in UNFPA, based on the Fund's mandate and strategic priorities; and for clarifying the purposes of centralized and decentralized evaluations. The importance of integrating human rights-based approaches and gender equality in the evaluation function by using UNEG guidance was stressed. It was proposed that the plan for thematic evaluations and the results of thematic and large evaluations be discussed at the Executive Board sessions; and the maternal health evaluation be included in the agenda of the first regular session 2013. It was recommended that the biennial report on evaluation be submitted to the Board on an annual basis. Also, more joint evaluations with other United Nations funds and programmes were encouraged.

61. Delegations were pleased to note that the Executive Director planned to play the role of champion of evaluation at UNFPA. They requested information on the timeline for the revision of the evaluation policy. They acknowledged that reform would require time and noted that the Executive Director had already taken some steps to address the recommendations of the OIOS review. Delegations recognized the challenges, offered to support UNFPA in addressing those challenges and looked forward to seeing a revised UNFPA evaluation policy.

62. The Executive Director thanked the Executive Board members for their support and valuable comments. He reiterated his personal commitment, as champion in UNFPA, to addressing evaluation challenges and critical gaps in the current evaluation policy. He committed to sharing a road map for the revised UNFPA evaluation policy and assured the Board members that UNFPA would continue its engagement with the Board, including through informal consultations. He acknowledged the specific comments from delegations relating to strengthening coherence and coordination among UNFPA units and noted that UNFPA would work with Board members to improve the quality of evaluation. He agreed with the need to strengthen results-oriented programme design and monitoring; and the evaluability of country programmes. He took note of the recommendation to adequately resource the evaluation function. The Executive Director responded to various specific queries, including noting that UNFPA was leading or participating in several joint evaluations with other United Nations organizations. He thanked delegations for their continuing guidance and willingness to collaborate with UNFPA. He concluded by appreciating the contribution of the Director of the UNFPA Arab States Regional Office, who would be retiring later in 2012.

63. The Executive Board adopted decision 2012/26 on UNFPA evaluation.

64. Following the adoption of decision 2012/26, the Vice-President, African States, speaking on behalf of the African countries members of the Executive Board, highlighted that while the African Group had joined the consensus on decision 2012/26 on UNFPA evaluation, it wished to place on record that with regard to

paragraph 16 of decision 2012/26, the allocation of resources for evaluation should not adversely affect the resources available for programming activities.

ICPD beyond 2014 review

65. The UNFPA Executive Director briefed the Executive Board on the status of the ICPD beyond 2014 review, underscoring that it was important to rebuild a global partnership and consensus to facilitate implementation of a cutting edge ICPD agenda beyond 2014. He highlighted the importance of linking the ICPD beyond 2014 review to the post-2015 development agenda and noted the various global and regional consultations that had been held over the last year involving Governments, civil society, including young people, and the United Nations system. He emphasized that the regional processes represented a critical component of the review, including the regional reports that would be prepared for the regional conferences in 2013. Furthermore, at the country level, UNFPA country offices had worked closely with Governments to involve civil society and other relevant stakeholders in the review exercise in 2012, with an emphasis on the global survey on ICPD implementation.

66. The Executive Director stated that one key area of engagement with Governments was to include representatives of non-governmental organizations and young people in national delegations to the regional population conferences in 2013 and the global meetings in 2014. He noted that the Government of Indonesia would host the Global Youth Forum in Bali, Indonesia, from 4 to 6 December 2012. Other global thematic conferences were being planned, including on human rights in partnership with the Government of the Netherlands. The Executive Director appealed to all Governments that had made commitments to expedite payments and he urged Member States to fill the current $15 million gap in funding for the ICPD beyond 2014 review.

67. The Executive Board members appreciated the briefing as well as the inclusive process evident in engaging all stakeholders in the ICPD beyond 2014 review.

VII. Country programmes and related matters

68. The Deputy Executive Director (Programme) provided an overview of the following nine draft country programmes: Cameroon, Democratic Republic of the Congo, Equatorial Guinea, Liberia and South Africa from the Africa region; the Sudan from the Arab States region; Pakistan (draft common country programme) from the Asia and the Pacific region; and Haiti and Nicaragua from the Latin America and the Caribbean region. Following that, the UNFPA Regional Directors for Africa; Arab States; Asia and the Pacific; and Latin America and the Caribbean elaborated on the programmes from their respective regions.

69. Several delegations thanked UNFPA for its cooperation and the support provided to their respective countries. They noted that the country programmes had been developed in close consultation with the respective Governments and other development partners and were well aligned with national plans, priorities and frameworks. They underscored that UNFPA support was necessary, now more than ever, to assist countries in reaching the Millennium Development Goals. A number of delegations made specific comments on some of the draft country programme documents (CPDs) and these would be conveyed to the concerned countries.

70. The Deputy Executive Director (Programme) and the UNFPA Regional Directors thanked the Executive Board for the comments and the support. They assured the Board members that, in accordance with decision 2006/36, the comments on the draft CPDs would be conveyed to the concerned countries to take into account in finalizing the CPDs.

71. The Executive Board took note of the following nine draft CPDs and the comments thereon: Cameroon, Democratic Republic of the Congo, Equatorial Guinea, Haiti, Liberia, Nicaragua, Pakistan (draft common country programme), South Africa and the Sudan. The comments would be conveyed by UNFPA to the respective countries. The Board approved the programme extension for Egypt. The Board adopted decision 2012/22, through which it decided to review and approve, on an exceptional basis, the UNDP and UNFPA draft CPDs for Eritrea at the first regular session 2013 of the Executive Board.

72. In accordance with decision 2006/36, the following 12 country programmes, which were discussed earlier at the annual session 2012, were approved by the Executive Board on a no-objection basis, without presentation or discussion: Bolivia (Plurinational State of), Costa Rica, Djibouti, Guinea, India, Jordan, Lesotho, Nepal, Pacific Island countries and territories, Republic of Moldova, Sierra Leone and Sri Lanka.

UNOPS segment

VIII. United Nations Office for Project Services

73. The Executive Director, UNOPS, introduced the midterm review of the strategic plan (DP/OPS/2012/7); the Deputy Executive Director, UNOPS, introduced the annual statistical report on the procurement activities of United Nations system organizations 2011 (DP/OPS/2012/8) and the supplement on transparency in public procurement.

74. Delegations expressed support for the conclusions reached in the midterm review, which they evaluated positively. They stated that the midterm review findings pointed to the clear need for UNOPS and the importance for it to focus on its areas of specialization: procurement, project implementation services and physical infrastructure development with management advisory services and national capacity development being essential cross-cutting themes. They encouraged UNOPS to build on the findings of the midterm review and to focus on its recognized comparative advantages in order to ensure the sustainable growth of its operations.

75. With this in mind, UNOPS was encouraged to expand its partnerships, which help to improve developing countries' productivity and provision of services while working towards poverty eradication and sustainable development. It was hoped that UNOPS would help to identify technology and capacity bottlenecks that developing countries encounter and come up with targeted recommendations and solutions.

76. Delegations reaffirmed the importance of fair, competitive and equal opportunity for all firms participating in procurement exercises. They also stressed that competition with other United Nations agencies should be avoided and a clear division of labour between United Nations agencies was crucial. Delegations

stressed that the strategic plans of UNOPS and partner agencies should be reviewed with a view to avoiding overlap and duplication.

77. Delegations supported UNOPS aspirations to incorporate sustainability objectives into all its services by integrating criteria in favour of environmental, social and economic aspects. One delegation, however, stressed that UNOPS (and the United Nations system in general) could introduce new standards on environmental protection only after Member States had agreed on them.

78. The increasing number of UNOPS projects in least developed countries and crisis countries was welcomed and encouraged. Delegations were pleased to note that the vast majority of UNOPS procurement was with developing countries and urged the organization to continue to strengthen the link between sustainable development and the local economic development agenda. Noting that its reporting focused on the output level, there was a call for UNOPS to intensify its work with partners in order to reflect its results at the outcome level as well.

79. The importance of working in developing countries according to the principle of national ownership was reiterated. In that regard, UNOPS was urged to extend the scope of its activities that help to build national capacities and countries' abilities to bring their own resources into play. One delegation thanked UNOPS for its achievements in the area of transparency and urged UNOPS to intensify its outreach to the governments, institutions and other local entities in developing countries to allow them to better understand the work of UNOPS beyond serving merely as the implementing partner agency for the United Nations system.

80. In response, the Executive Director, UNOPS, thanking delegations for their comments and support, assured them of UNOPS commitment to continue working with them in finalizing the strategic plan in the following year. He took the opportunity to thank Denmark, UNOPS host country, for developing a new United Nations complex using the highest sustainability standards.

81. The Executive Board adopted decision 2012/24 on the UNOPS midterm review of the strategic plan, 2010-2013; and decision 2012/25 on the UNOPS annual statistical report on the procurement activities of the United Nations system, 2011.

Joint segment

IX. Follow-up to UNAIDS Programme Coordinating Board meeting

82. The Deputy Executive Director (Programme), UNFPA, and the Director, Bureau for Development Policy, UNDP, presented the report on the implementation of the decisions and recommendations of the Programme Coordinating Board of the Joint United Nations Programme on HIV/AIDS (UNAIDS) (DP/2012/26-DP/FPA/2012/18).

83. Delegations recognized the progress made by UNDP and UNFPA in addressing HIV and AIDS. They noted that the UNAIDS joint programme was a critically important partner in addressing HIV. They reiterated Executive Board decision 2011/41 from the second regular session 2011 stating that UNAIDS strategies and

policies must be integrated in the development of the next UNDP and UNFPA strategic plans, emphasizing that AIDS must remain a continuing priority for both organizations. They offered strong encouragement to UNDP and UNFPA for their support to country-level processes related to the investment approach. It was underscored that country-level coordination not only within the United Nations family, but also with and among stakeholders in countries, would require special attention to ensure success.

84. Delegations drew attention to the upcoming UNAIDS guidance on critical enablers and development synergies for strategic investments in the AIDS response and welcomed the UNDP role in its development. They noted that it would provide important guidance on how to focus and prioritize country-level efforts, save more lives and ensure better, more cost-effective treatment. They supported the new approaches and principles proposed by UNAIDS and its partners to invest funds in measures to combat HIV, ensure sustainability of the measures at the country level and improve the system of results-based reporting.

85. Delegations were pleased with efforts to promote comprehensive access to programmes for prevention, treatment, care and support and to build countries' capacities to combat HIV and mitigate the impact of AIDS on women and children. They also emphasized the importance of promoting preventive activities among youth, encouraging the use of social networks to broadcast the message further.

86. Delegations expressed concern about the reduced funding to UNAIDS projects and urged traditional donors to continue funding, emerging economies and countries to play their part and developing countries to lead and share responsibility. They emphasized, however, that funding from the UNAIDS secretariat should not diminish or replace HIV contributions and investments from co-sponsors. In that regard, they also stressed the importance of honouring commitments to the newly negotiated UNAIDS division of labour. Highlighting the importance of shared accountability among co-sponsors, delegations urged greater commitment by joint United Nations teams on AIDS and United Nations country teams in monitoring and reporting the results of the 2012-2015 UNAIDS unified budget results and accountability framework.

87. In response, the Director, HIV/AIDS Group, UNDP, thanked delegations for their comments and spoke of the implications of the delayed Global Fund to Fight AIDS, Tuberculosis and Malaria funding round, as noted from the floor. He highlighted the work of UNAIDS in advocacy for sharing the burden of financing and ensuring the diversification of funding sources, including the strong investment from programme countries themselves. He looked forward to the continued show of funding from donor countries. He noted the organizations' support for implementation of programmes funded by the Global Fund to Fight AIDS, Tuberculosis and Malaria, including technical and operational partnerships to ensure its effectiveness and ability to instill confidence in its donor base, building on lessons learned. On that final note, he highlighted the importance of the UNAIDS investment framework in ensuring the effectiveness and impact of funding. He also assured delegations that the lion's share of funding for UNDP and UNFPA HIV activities came from outside the UNAIDS secretariat. The secretariat funds were used specifically to ensure coherence across the system. He encouraged Executive Board members through their oversight to ensure alignment between UNAIDS strategies and plans and those of UNDP and UNFPA, and urged them to make every

effort to honour commitments to the core budget, without which the organizations would be unable to fulfill their mandates on HIV.

88. The Deputy Executive Director (Programme), UNFPA, thanked delegations for their interest and commitment to the critical work on HIV and AIDS. She echoed the UNDP response and went on to underscore UNFPA commitment to ongoing work, drawing attention to the Fund's focus on the prevention of mother-to-child transmission, especially within family planning services; young people, especially young women; and the integration of a comprehensive response to HIV under the broad umbrella of sexual and reproductive health. Noting that HIV reflected some of the gravest marginalization that occurred in society, she affirmed that the human-rights approach was the correct approach to take the work forward. She underlined that "getting to zero" was a target pertaining to the incidence of infection not financing. In urging Member States and other donors to contribute to the work on HIV and AIDS, she emphasized that solutions were available and "getting to zero" was a plausible goal. However, it required courage and commitment, including financial commitment, with a focus on strategic priorities. In conclusion, she reaffirmed that UNFPA would continue to work closely with the full UNAIDS partnership.

89. The Executive Board took note of the report on the implementation of the decisions and recommendations of the Programme Coordinating Board of the Joint United Nations Programme on HIV/AIDS (DP/2012/26-DP/FPA/2012/18).

X. Financial, budgetary and administrative matters

90. On behalf of UNDP, UNFPA and UNICEF, the Assistant Administrator and Director, Bureau of Management, UNDP, introduced the road map to the integrated budget: joint UNDP, UNFPA and UNICEF review on the impact of cost definitions and classification of activities on harmonized cost-recovery rates (DP-FPA/2012/1). It was noted that UNICEF colleagues were present in the room to respond to queries, as needed.

91. Delegations thanked the organizations for their harmonized work to produce the report and the proposals therein. Overall, delegations were pleased that UNDP, UNFPA and UNICEF had addressed the issues of cross-subsidization and the use of core resources to cover fixed indirect costs. They commended the organizations for being the first United Nations entities to propose a new calculation methodology for cost-recovery rates and encouraged them to bring the United Nations Entity for Gender Equality and the Empowerment of Women (UN-Women) on board as well. They welcomed the proposal to forego the former distinction between indirect fixed costs and indirect variable costs. Delegations were pleased with the proposed methodology to harmonize cost-recovery rates, which they said would lead to increased transparency and clarity and improved burden sharing between core and non-core resources. In addition, they noted that it would help to ensure minimum and increased levels of core resources.

92. While overall feedback was positive, delegations noted that the proposal to change the cost-recovery rate needed further consultations before reaching a decision. It was noted that while harmonization of the cost-recovery rate was valuable, the emphasis should fall on providing incentives to countries to contribute to core resources. There was also a request for clarification on the added value of an

integrated budget for the organizations involved and the ultimate benefits to programme countries. One delegation asked about the rationale for the current cost-recovery rate of 7 per cent and if there was a clear reason to maintain that rate. Another delegation expressed concern that an increase in the cost-recovery rate may cause an overall decrease in resources for the three organizations. The delegation requested additional data on cost recovery.

93. One delegation expressed interest in learning what the organizations had learned from comparative benchmarking exercises with other institutions on establishing cost-recovery rates. It also sought further information on the experience of Executive Board members in establishing cost-recovery rates, especially the mechanisms proposed and conceptual framework used at the national level. A Board decision, it noted, would require more detailed analysis and comparative analysis of models for cost distribution based on the current methodology. It noted that it was better to have unified rates to avoid competition between the organizations.

94. Seeking clarification on which to base a decision, delegations requested additional information on the following by the first regular session 2013: (a) explanation of the pros and cons of applying a harmonized methodology with or without a harmonized cost-recovery rate for all agencies; (b) concrete proposals with explanation of the advantages and limitations of using differentiated rates for differentiated costs in managing different volumes in various operational contexts; (c) explanation of the cross-cutting functions to be covered by core resources for each agency; (d) explanation of how the new calculation methodology fosters cost efficiency; and (e) more detailed information on the proposal that special arrangements would be made for special-purpose activities like United Nations coordination, United Nations Volunteers and United Nations Capital Development Fund.

95. Delegations also requested a risk and impact analysis of consequences and operational implications for each organization, addressing: (a) differentiated rates in terms of volume, predictability and flexibility of funding to incentivize increased core contributions and to increase the quality of non-core resources; (b) risks and benefits of common and organization-specific cost-recovery rates; and (c) breakdown and further clarity on which parts of the cost classification categories would be covered by the cost-recovery rate.

96. In response, the Assistant Administrator and Director, Bureau of Management, UNDP, thanking delegations, noted that the methodology proposed was quite different from the past and organizations were therefore keen to receive Executive Board guidance on the way forward. He stressed that the details of the new methodology still needed to be ironed out and further work was necessary to expound on the different approaches, harmonized versus non-harmonized and the impact on core resources, especially given the organizations' different models and mandates. He also stressed that resource mobilization remained an important challenge, highlighting that the organizations had to focus equally on mobilizing resources for both core and non-core resources in order to achieve their strategic plans. It was envisaged that the new approach would also reduce the incentive to earmark funds and thereby reduce costs overall. Stressing the quality of non-core resources, he noted that cost recovery constituted the third pillar of the integrated budget, recognizing the need to view different funding sources together and their synergistic impact in terms of the quality of development results. The original aim

of the integrated budget, as it was noted from the floor, was to view the institutional and programme budgets together with cost recovery as the third important element. On the request for financial information, he noted that the organizations would work together to provide that information to the Board.

97. The Director, Division for Management Services (DMS), UNFPA, thanked the delegations for their useful comments and for underscoring the importance of the predictability and reliability of core resources for the financial soundness of the organizations. He noted the request from delegations for information regarding the implications of harmonized and non-harmonized cost-recovery rates and for the specificities of the proposals concerning differentiated rates; as well as regarding how core functions would be defined by the three organizations. He assured the Executive Board that the organizations would revert with specific proposals and seek the guidance of the Board, as well as continue the close engagement with the Board in the period leading to the first regular session 2013. He recalled that the impetus to change the cost-recovery rates derived from the mandate given by the Board to ensure that core resources did not subsidize non-core resources. Responding to the query on the benefits of the integrated budget for programme countries, he noted that the benefits included greater transparency and clearer linkages between results and resources. Currently, the institutional budget provided linkages to the organization's management results but not to the development results. However, through the integrated budget the cycles of the strategic plan and the budget would be harmonized to a four-year cycle and a comprehensive framework would be provided linking the total proposed resources to the planned results.

98. Concerning the query on the existing 7 per cent cost-recovery rate, the Director, DMS, noted that the rate came from calculations based on the existing methodology (approved by the Executive Board) that the three organizations had deployed over the years. He added that the organizations would be recalculating and reverting to the Board regarding the rate. Regarding the query on harmonizing the rate across the United Nations system, he stated that the work of UNDP, UNFPA and UNICEF on cost recovery was being followed with great interest by the rest of the United Nations system and the outcome may influence other organizations in terms of their cost-recovery methodology. He recalled that the 7 per cent rate had in fact influenced the rate for the One United Nations Fund. He assured the Executive Board that in order to bring about greater harmonization, the endeavour of the three organizations would be to share the outcome of the exercise with others in the United Nations system through the High-level Committee on Management and the Finance and Budget Network.

99. The Executive Board adopted decision 2012/27 on the road map towards an integrated budget, beginning 2014: (a) joint UNDP, UNFPA and UNICEF review of the impact of cost definitions and the classification of activities on harmonized cost-recovery rates; and (b) joint UNDP, UNFPA and UNICEF note on steps taken towards the integrated budget and the mock-up of the integrated budget.

XI. Field visits

100. The co-team leader of the joint field visit of the Executive Boards of UNDP/UNFPA/UNOPS, UNICEF, UN-Women and WFP, introduced the report of

the joint field visit to the Republic of Djibouti (DP-FPA-OPS/2012/CRP.1) as well as the report of the joint field visit to Ethiopia (DP-FPA-OPS/2012/CRP.2).

101. The two rapporteurs highlighted the key findings and recommendations. The delegations of Djibouti and Ethiopia expressed appreciation regarding the joint field visit and the reports. They commended the work of the United Nations country teams in their respective countries.

102. The Executive Board took note of the two reports on the field visits to the Republic of Djibouti and Ethiopia.

XII. Other matters

103. The following informal briefings/consultations were held:

(a) Informal consultation on the UNOPS midterm review of the strategic plan, 2010-2013, and the road map towards the strategic plan, 2014-2017;

(b) Joint UNDP, UNFPA and UNICEF informal consultation on the integrated budget and cost recovery;

(c) Joint UNDP, UNFPA and UNOPS informal consultation on procurement;

(d) Informal consultation on the outline for the design for the cumulative review of the current UNDP strategic plan, 2008-2013;

(e) Joint UNDP, UNFPA and UNOPS informal consultation on human resources policies;

(f) Joint informal briefing on the Report of the United Nations Board of Auditors for the biennium ended 31 December 2011 for UNDP, UNFPA and UNOPS;

(g) Informal consultation on the UNFPA strategic plan, 2014-2017;

(h) Briefing on the ICPD beyond 2014 review.

Annex I

Decisions adopted by the Executive Board in 2012

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2012/1
Review of UNDP programming arrangements, 2008-2013

The Executive Board

1. *Recalls* decision 2010/3 which extended the programming arrangements by two years to cover the period 2008-2013, in line with the strategic plan extension;

2. *Takes note of* the report on the second review of the programming arrangements, 2008-2013 (DP/2012/3), and the three key concurrent initiatives that inform and are integrally linked to it: the new strategic plan; the integrated budget; and the agenda for organizational change;

3. *Reaffirms* the principles of eligibility of all recipient countries on the basis of the fundamental characteristics of the operational activities of the United Nations development system, and of the capacity to respond to the needs of all recipient countries in accordance with their own development priorities; and, in this context, recognizes the principles of the United Nations Development Programme activities, which include progressivity, impartiality, transparency and predictability of flow of resources for all recipient countries, as reflected in decision 2007/33;

4. *Agrees* with the overarching assumptions made by UNDP in paragraph 12(b) and 12(c) of document DP/2012/3 that a new TRAC 1 calculation methodology should continue to include a predictability parameter to ensure a smooth transition from the current programming period to the next, and that a new TRAC 1 calculation methodology should continue to include the same percentage allocation ranges as in the present (2008-2013) programming arrangements;

5. *Also agrees* with the overarching assumption that the UNDP presence should be based upon differentiated developmental needs of countries and a no one-size-fits-all approach in order to ensure efficient and effective response to national development priorities;

6. *Requests* UNDP to submit to the Executive Board, at its second regular session 2012, a further elaboration of global strategic presence, including physical presence in programme countries, bearing in mind the need for efficiency and effectiveness, in line with the discussions on the new strategic plan;

7. *Also requests* UNDP to provide to the Executive Board, at its second regular session 2012, relevant information explaining the allocation to the activities funded under the proposed programming arrangements other than TRAC 1, 2 and 3, with this information based on reviews, evaluations and analyses that capture the performance and effectiveness of these activities, as well as lessons learned and recommendations for improvement;

8. *Takes note of* the proposal to establish a contingency fund, and requests UNDP to submit to the Executive Board, at its second regular session 2012, further elaboration of this fund's function and general allocation figure;

9. *Decides* to consider the possible inclusion of the United Nations Capital Development Fund in the programming arrangements in the context of the adoption of the draft integrated budget, 2014-2015, taking into consideration the priorities of the strategic plan, 2014-2017, and additional information provided on the financial and legal implications of the proposed inclusion;

10. *Requests* UNDP to demonstrate in the mock-up integrated budget how resources distributed through different allocation mechanisms will link to the expected outcomes of the strategic plan;

11. *Also requests* UNDP to provide further analysis and advice with respect to the options for the TRAC 1 eligibility criteria and models for the TRAC 1 allocation criteria outlined in document DP/2012/3, taking into consideration the views expressed by Member States in this regard, with a view to the Executive Board taking a decision on new programming arrangements at its second regular session 2012.

3 February 2012

2012/2
Oral report of the Administrator on the implementation of the UNDP gender equality strategy and action plan

The Executive Board

1. *Takes note* of the oral report on the implementation of the UNDP gender equality strategy in 2011, as requested in decision 2006/3;

2. *Recognizes* the importance of mainstreaming gender equality as reflected in General Assembly resolution 62/208 on the triennial comprehensive policy review of operational activities for development of the United Nations system, and the UNDP strategic plan, 2008-2013;

3. *Welcomes* the efforts of UNDP in implementing the gender equality strategy in 2011 and achieving concrete gender equality development and institutional results;

4. *Welcomes* the work of the Gender Steering and Implementation Committee as a clear sign of top management commitment to gender equality and as a means of improving accountability in the fields of gender mainstreaming and equality, and urges UNDP to continue to ensure that management staff at all levels are committed to and accountable for implementing the gender strategy;

5. *Encourages* UNDP to strengthen its partnership with the United Nations Entity for Gender Equality and the Empowerment of Women (UN-Women) and to work closely with UN-Women to advance gender equality in programmes and policy on the basis of complementary and synergetic relationships, and to work collaboratively as part of United Nations country teams;

6. *Takes note of* the results of the gender marker and encourages UNDP to continue to strengthen the application of this tool and to fully integrate it in its systems, and welcomes the efforts of UNDP to share the gender marker with other United Nations organizations, especially the UN-Women, as a way to enhance collaboration and improve gender accountability within the United Nations system;

7. *Notes with concern* the decrease in UNDP expenditures that make significant or principal contributions to gender equality, and requests UNDP to strengthen capacity for gender mainstreaming, and to increase its investments in gender equality within the context of the new strategic plan process and the overall UNDP agenda for organizational change;

8. *Requests* that the final midterm review document on the implementation of the gender equality strategy be shared with the Executive Board;

9. *Requests* UNDP to mainstream gender equality perspectives in the preparation of the strategic plan, 2014-2017, taking into account lessons learned from the implementation of the current gender equality strategy, and further requests UNDP to take the necessary steps to develop, in a timely manner, a new gender equality strategy in line with priorities of the next UNDP strategic plan, 2014-2017, and to consult the Executive Board on this matter;

10. *Recalls* the request of the Executive Board to identify further measures, including through evaluating the position and mandate of the gender team at the global and regional levels, to raise the profile of the UNDP gender strategy and increase the attention given to its implementation, and requests that, as part of the annual report in June 2012, the Administrator report on concrete measures taken to implement this request;

11. *Reiterates* its request to the Administrator to provide annually, for the remainder of the period of the UNDP strategic plan, an oral report to the Executive Board, at its first regular session, on the implementation of the gender equality strategy, as set forth in DP/2005/7, and requests that a written background paper be made available to the Board in advance of the first regular session 2013.

3 February 2012

2012/3
UNFPA institutional budget estimates for 2012-2013

The Executive Board

1. *Takes note of* the results and resource requirements in the UNFPA institutional budget estimates for 2012-2013, as contained in document DP/FPA/2012/1;

2. *Also takes note of* the report of the Advisory Committee on Administrative and Budgetary Questions on the institutional budget estimates for 2012-2013 (DP/FPA/2012/2);

3. *Approves* the presentation of activities and associated costs reflected in document DP/FPA/2012/1, which are aligned with the classifications of activities and associated costs, the results-based budgeting approach and the key budget tables approved in decisions 2010/32 and 2011/10;

4. *Approves* gross resources in the amount of $292.2 million, representing the total institutional budget, 2012-2013, and notes that the estimated net resources total $245.0 million;

5. *Resolves* that the appropriated amount be used to achieve the management results framework outputs of the UNFPA strategic plan, in accordance with decision 2011/39;

6. *Welcomes* the reductions in management costs and the rising proportion of funds available for programme implementation and encourages UNFPA to continue in the same direction without negatively affecting the effective delivery of programmes;

7. *Recalls* Executive Board decisions 2011/9 and 2011/22 and welcomes UNFPA efforts to further strengthen financial management and monitoring at headquarters and field levels, especially with regard to the national execution modality, and

encourages UNFPA to further strengthen financial and administrative oversight at all levels;

8. *Welcomes* UNFPA efforts to strengthen field offices and, in that regard, encourages UNFPA to continue to reduce vacancy rates;

9. *Encourages* UNFPA to review the current cost recovery rates and methodology together with UNDP and UNICEF at the second regular session 2012, in order to determine future harmonized and transparent rates to be included in the integrated budget, 2014-2015;

10. *Recalls* decision 2007/43 approving the organizational structure of UNFPA, as contained in document DP/FPA/2007/16 and its corrigendum (DP/FPA/2007/16/Corr.1);

11. *Approves* the conversion of the existing subregional office in Dakar, Senegal, into the Central and West Africa Regional Office, and the merger of the existing subregional and regional offices in Johannesburg, South Africa, into the South and East Africa Regional Office, effective 2013, and, in this context, looks forward to receiving the outcomes of the evaluation of the regionalization process;

12. *Endorses* the proposal of the Executive Director, similar to that of decision 2008/6, to grant him exceptional authority during 2012-2013 to access up to an additional $2.7 million in regular resources for security measures. UNFPA will limit the use of those funds to new and emerging security mandates, as defined by the directives of the United Nations Department of Safety and Security, and will report to the Executive Board on the use of those funds in its annual review of the financial situation.

3 February 2012

2012/4
Revision of the UNFPA financial regulations and rules

The Executive Board

1. *Takes note of* the report on the revision of the UNFPA financial regulations and rules (DP/FPA/2012/3) and appreciates the invitation to an ongoing dialogue on the implementation of the International Public Sector Accounting Standards;

2. *Also takes note of* the report of the Advisory Committee on Administrative and Budgetary Questions on the revision of the UNFPA financial regulations and rules (DP/FPA/2012/2);

3. *Approves* the revisions to the UNFPA financial regulations and takes note of the changes to the financial rules contained therein.

3 February 2012

2012/5
Revision of the UNOPS financial regulations and rules

The Executive Board

1. *Takes note of* the proposed revision of the UNOPS Financial Regulations and Rules (DP/OPS/2012/1) and its annexes and of the Report of the Advisory

Committee on Administrative and Budgetary Questions on the revision of the UNOPS Financial Regulations and Rules (DP/OPS/2012/2);

2. *Notes* also the comments presented by the Office of Legal Affairs in the annex to the document dated 24 January 2012, following a request by UNOPS, as recommended by the Advisory Committee on Administrative and Budgetary Questions;

3. *Approves* the proposed amended Financial Regulations and Rules, to take effect on 1 January 2012, and requests UNOPS to take into full account, while reconciling, the comments and recommendations made by the Advisory Committee on Administrative and Budgetary Questions and the Office of Legal Affairs.

3 February 2012

2012/6
Reports of UNDP, UNFPA and UNOPS on the status of implementation of the recommendations of the Board of Auditors for 2008-2009

The Executive Board

1. *Takes note of* the reports of UNDP, UNFPA and UNOPS on the status of implementation of the recommendations of the Board of Auditors for 2008-2009 (DP/2012/4, DP/FPA/2012/5 and DP/OPS/2012/3);

With respect to UNDP:

2. *Welcomes* the progress made by UNDP in addressing audit-related priorities in 2010-2011;

3. *Also welcomes* the adoption of the International Public Sector Accounting Standards by UNDP in January 2012;

With respect to UNFPA:

4. *Welcomes* the actions taken by UNFPA and the further actions planned in implementing the recommendations of the United Nations Board of Auditors for the 2008-2009 biennium;

5. *Also welcomes* the adoption of the International Public Sector Accounting Standards by UNFPA in January 2012;

With respect to UNOPS:

6. *Recognizes* that, according to the assessment of UNOPS, it has implemented more than 80 per cent of the recommendations of the United Nations Board of Auditors for the biennium that ended 31 December 2009;

7. *Recognizes further* that in October 2011, the United Nations Board of Auditors validated the results from the UNOPS assessment during the Board of Auditors' preliminary review of UNOPS for the biennium that ended 31 December 2011.

3 February 2012

2012/7
Report of the Administrator of UNDP and of the Executive Directors of UNFPA and UNOPS to the Economic and Social Council

The Executive Board

1. *Takes note of* the report of the Administrator of UNDP and of the Executive Directors of UNFPA and UNOPS to the Economic and Social Council (E/2012/5);

2. *Encourages* UNDP, UNFPA and UNOPS to continue enhancing their integrated reporting, including by placing greater emphasis on challenges and trends;

3. *Decides* to transmit the above-mentioned report, along with the comments and guidance provided by delegations at the present session, to the Economic and Social Council.

3 February 2012

2012/8
Overview of decisions adopted by the Executive Board at its first regular session 2012

The Executive Board

Recalls that during its first regular session 2012, it:

Item 1
Organizational matters

Elected the following members of the Bureau for 2012:

President: H.E. Mr. Mårten Grunditz (Sweden)
Vice-President: Mr. Tariq Iziraren (Morocco)
Vice-President: H.E. Mr. Yusra Khan (Indonesia)
Vice-President: Ms. Candida Novak Hornakova (Czech Republic)
Vice-President: Mr. Eduardo Porretti (Argentina)

Adopted the agenda and workplan for its first regular session 2012 (DP/2012/L.1);

Adopted the report of the second regular session 2011 (DP/2012/1);

Adopted the annual workplan for 2012 (DP/2012/CRP.1/Rev.1);

Approved the tentative workplan for the annual session 2012;

Agreed to the following schedule for the remaining sessions of the Executive Board in 2012:

Annual session 2012: 25 to 29 June 2012 (Geneva)
Second regular session 2012: 4 to 10 September 2012

UNDP segment

Item 2
Programming arrangements

Adopted decision 2012/1 on the review of UNDP programming arrangements, 2008-2013;

Item 3
Gender in UNDP

Adopted decision 2012/2 on the oral report of the Administrator on the implementation of the UNDP gender equality strategy and action plan;

Item 4
Country programmes and related matters (UNDP)

Approved the following final country programme documents:

> **Africa**: Cape Verde (common country programme), Central African Republic, Gambia, Malawi, Mozambique and South Sudan;
>
> **Arab States**: Algeria and Yemen;
>
> **Asia and the Pacific**: Iran (Islamic Republic of), Lao People's Democratic Republic, Papua New Guinea (common country programme), Thailand and Viet Nam (common country programme);
>
> **Latin America and the Caribbean**: Brazil, the Dominican Republic, Guyana, Panama, Peru and Suriname;

Took note of the request of the Administrator for authority to approve priority projects in Libya on a case-by-case basis;

UNFPA segment

Item 5
Financial, budgetary and administrative matters

Adopted decision 2012/3 on the UNFPA institutional budget estimates for 2012-2013;

Adopted decision 2012/4 on the revision of the UNFPA financial regulations and rules;

Took note of the report of the Advisory Committee on Administrative and Budgetary Questions on the institutional budget estimates for 2012-2013 and the revision of financial regulations and rules (DP/FPA/2012/2);

Item 6
Internal audit and oversight

Heard an oral presentation outlining the plan of action to address the recommendations in the report on internal audit and oversight activities in 2010 (decision 2011/22);

Item 7
Country programmes and related matters (UNFPA)

Approved the following final country programme documents:

> **Africa**: Cape Verde, Central African Republic, Chad, Gambia, Malawi, Mozambique and South Sudan;
>
> **Arab States**: Algeria and Yemen;

Asia and the Pacific: Iran (Islamic Republic of), Myanmar, Papua New Guinea, Thailand and Viet Nam;

Latin America and the Caribbean: Brazil, Dominican Republic, Panama and Peru;

UNOPS segment

Item 8
Financial, budgetary and administrative matters

Adopted decision 2012/5 on the revision of the UNOPS financial regulations and rules;

Joint segment

Item 9
Recommendations of the Board of Auditors

Adopted decision 2012/6 on the reports of UNDP, UNFPA and UNOPS on the status of implementation of the recommendations of the Board of Auditors for 2008-2009;

Item 10
Report to the Economic and Social Council

Adopted decision 2012/7 on the report of the Administrator of UNDP and of the Executive Directors of UNFPA and UNOPS to the Economic and Social Council;

Joint meeting

Held a joint meeting of the Executive Boards of UNDP/UNFPA/UNOPS, UNICEF, UN-Women and WFP from 30 to 31 January 2012, which addressed the following topics: (a) middle-income countries: the role and presence of the United Nations for the achievement of the internationally agreed development goals; (b) least developed countries: United Nations collaborative contribution to the implementation of the Istanbul Programme of Action;(c) making United Nations operational activity work for accelerated development: quadrennial comprehensive policy review ("delivering as one" and reporting on results); and (d) transition;

Also held the following informal briefings:

Informal consultation on the outcome of the UNDP workshop on experiences and practices with constructing results chains to address various development issues;

Joint UNDP/UNFPA/UNOPS informal consultation on a plan for achieving full transparency with regard to the disclosure of internal audit reports;

Joint UNDP/UNFPA/UNOPS informal presentation on the timetable for the review and analysis of harmonized cost-recovery rates;

Informal consultation on the implementation of the International Public Sector Accounting Standards in UNDP;

UNOPS briefing on preparations for Rio+20: infrastructure and sustainable development.

3 February 2012

2012/9
Annual report of the Administrator on the strategic plan: performance results for 2011

The Executive Board

1. *Recalls* its decision 2011/14 on the midterm review of the current UNDP strategic plan;

2. *Welcomes* the annual report of the Administrator on the strategic plan: performance and results for 2011 (DP/2012/7) and its annexes;

3. *Notes with appreciation* the changes made in the annual report, as a positive step in the ongoing work to further improve reporting on results;

4. *Welcomes* the consultative process leading to the presentation of the annual report, as well as the update on the road map and the planned schedule of consultations for the preparation of the next strategic plan;

5. *Notes* the detailed information on outputs, outcomes and results in the annual report and its annexes; and, in this regard, encourages UNDP to continue its efforts to enhance its reporting in order to make it more focused, explicit and illustrative;

6. *Underlines* the need to continue ongoing efforts to achieve a consistent and harmonized use of results concepts and definitions by UNDP and other funds and programmes of the United Nations;

7. *Requests* UNDP to take the necessary steps in the coming year to put in place improved country programme document indicators, and, when preparing the next strategic plan, to develop a set of key development and institutional results indicators in order to reinforce performance reporting and management and to guide strategic planning in UNDP;

8. *Requests* the Administrator, in the light of guidance from intergovernmental processes such as the quadrennial comprehensive policy review of operational activities for development of the United Nations system and the discussions of the Executive Board, to:

(a) Prepare a draft of the strategic plan, 2014-2017, for consideration by the Executive Board at its annual session 2013, in line with the quality expectations outlined in decision 2011/14;

(b) Prepare, in consultation with the Executive Board, a cumulative review of the current strategic plan, to be submitted to the annual session 2013, that provides a high-level, multi-year analysis of the achievements of the current strategic plan and the challenges encountered;

(c) Consider, in preparing the next strategic plan, alternatives to the current output profiles, and continue consultations with the Executive Board on how to elaborate meaningful output profiles in order to better capture the specific contribution of UNDP to outcomes at the national level;

(d) Include a clear narrative on the UNDP corporate-level contribution to the achievement of development results in the multi-year analysis of the implementation of the strategic plan and in future annual reports;

(e) Give more prominence in future annual reports to important findings from the results analysis, such as risks and challenges, lessons learned, programme success factors, and the reasons for not achieving agreed objectives.

28 June 2012

2012/10

Status of regular funding commitments to UNDP and to its funds and programmes for 2012 and onwards

The Executive Board

1. *Notes* that in 2011 contributions to regular resources increased slightly to $0.975 billion from $0.967 billion in 2010, following three consecutive years of decline;

2. *Further notes* that while many governments have exerted much effort to ensure this increase, the amount remains well below the 2011 funding target of $1.55 billion for regular resources set out in the UNDP strategic plan, 2008-2013;

3. *Further notes* that overall contributions to UNDP have decreased to $4.83 billion in 2011 from $5.01 billion in 2010 owing to a decrease in other resources;

4. *Recalls* General Assembly resolution 62/208 on the triennial comprehensive policy review of operational activities for development of the United Nations system, and reiterates that regular resources form the bedrock of UNDP funding;

5. *Requests* all countries that have not yet done so to provide contributions to regular resources for 2012;

6. *Encourages* all Member States to maintain their core contributions and also encourages countries that are in a position to do so, to increase their contributions, to make multi-year pledges, and to make their contributions by the first half of the year in order to ensure effective programming;

7. *Notes* the trend towards the increased use of restrictively earmarked contributions, and looks forward to an in-depth discussion on this issue at the annual session 2013 of the Executive Board.

29 June 2012

2012/11

UNDP assistance to Myanmar

The Executive Board

1. *Recognizes* the significant recent developments in Myanmar and the expanded opportunities for the international community to support the ongoing reforms;

2. *Recalls* Governing Council decision 93/21 which, inter alia, decided that until a country programme for Myanmar is considered at an appropriate time, all future assistance from the United Nations Development Programme and related funds to Myanmar should be clearly targeted towards programmes having a grass-roots-level impact in a sustainable manner;

3. *Requests* UNDP, in consultation with all partners, to submit a draft country programme document for consideration at the second regular session 2012 of the Executive Board.

28 June 2012

2012/12
Report on results achieved by UNCDF in 2011

The Executive Board

1. *Takes note of* the report on results achieved by UNCDF in 2011 (DP/2012/11) and welcomes the continued solid performance of UNCDF against set targets;

2. *Welcomes* the substantive increase in contributions to UNCDF, particularly from private-sector sources;

3. *Takes note*, however, that the target of $25 million per year in contributions to regular resources — necessary to retain UNCDF support to 40 least developed countries — remains unachieved;

4. *Calls on* Member States, in a position to do so, to contribute to the regular resources of UNCDF to ensure that it can retain its support to 40 least developed countries, while continuing to attract increasing levels of non-core and thematic contributions, particularly from private sources;

5. *Decides* to hold a stakeholder consultation process in late 2012 on possible future directions for UNCDF.

28 June 2012

2012/13
United Nations Volunteers: report of the Administrator

The Executive Board

1. *Takes note of* the report of the Administrator on United Nations Volunteers (UNV) (DP/2012/12);

2. *Commends* UNV for the successful commemoration of the tenth anniversary of the International Year of Volunteers;

3. *Commends* UNV for taking the lead in producing the first State of the World's Volunteerism Report and encourages UNV to continue its publication;

4. *Expresses appreciation* for the outstanding contribution of the high number of United Nations volunteers to peace and to the development achievements of programme countries and United Nations partners, including the continuous growth in the number of online volunteers;

5. *Encourages* UNV to expand volunteering opportunities for young people, as outlined in the five-year action agenda of the Secretary-General, and to this effect, welcomes the initiative to establish a trust fund to receive voluntary contributions for the creation of a youth volunteer corps under the umbrella of UNV;

6. *Encourages* UNV to continue to innovate and to diversify volunteer modalities, including those involving South-South cooperation, regional approaches, the diaspora and private-sector volunteer opportunities;

7. *Takes note of* the UNV development of a results framework to measure its programmatic contributions to peace and development;

8. *Calls on* development partners and all United Nations Member States in a position to do so to increase funding to the Special Voluntary Fund to conduct research and training, to undertake pilot innovations and to explore other funding modalities;

9. *Encourages* governments, UNDP and United Nations organizations to recognize the contributions of volunteerism to community-centred sustainable development and well-being by integrating volunteerism into their programming;

10. *Takes note of* the expanded role and the increased responsibilities entrusted to UNV since its inception, and requests the Administrator, UNDP, to include in her next annual report to the Executive Board, an analysis of the evolution of the role of, and the functions fulfilled by, UNV over the past decades, and how these have influenced the operations of UNV;

11. *Calls upon* UNDP to continue to provide to UNV all necessary programmatic, administrative and legal support to achieve its mandate;

12. *Encourages* UNV to continue its support to accelerate the achievement of the Millennium Development Goals and to mainstream volunteerism into ongoing sustainable development efforts.

28 June 2012

2012/14
Report of the Executive Director for 2011: progress in implementing the UNFPA strategic plan, 2008-2013

The Executive Board

1. *Takes note of* the documents that make up the report of the Executive Director for 2011: DP/FPA/2012/6 (Part I, Part I/Add.1 and Part II);

2. *Takes note of* the progress achieved in implementing the results frameworks of the UNFPA strategic plan, 2008-2013;

3. *Also takes note of* the efforts undertaken by UNFPA to implement the revised strategic direction and the recommendations of the midterm review of the strategic plan, 2008-2013, through the business plan;

4. *Welcomes* the improvements in the annual report of UNFPA, including the results analysis in the annexes to the report;

5. *Underlines* the need to continue ongoing efforts to achieve a consistent and harmonized use of results concepts and definitions by UNFPA and other funds and programmes of the United Nations;

6. *Welcomes* the road map to the next strategic plan, and encourages UNFPA to base its discussions of the next strategic plan, 2014-2017, on the revised strategic direction and the recommendations of the midterm review of the current strategic plan, 2008-2013, including lessons learned from the implementation of the results frameworks, in order to further strengthen the results focus of UNFPA, bearing in mind other processes relating to the United Nations development agenda;

7. *Appreciates* UNFPA efforts to develop the next strategic plan, 2014-2017, in a transparent and inclusive manner, and emphasizes the need to consult all relevant stakeholders, and, in this regard, underlines the need to consult programme countries on their experiences, lessons learned and priorities for the next strategic plan, 2014-2017.

29 June 2012

2012/15
Report on contributions by Member States and others to UNFPA, and revenue projections for 2012 and future years

The Executive Board

1. *Takes note of* the report on contributions by Member States and others to UNFPA and revenue projections for 2012 and future years (DP/FPA/2012/7);

2. *Commends* the efforts being made by UNFPA to broaden its funding base and mobilize additional resources and other forms of support from diversified sources, including from the private sector;

3. *Emphasizes* that regular resources are the bedrock of UNFPA and essential to maintaining the multilateral, neutral and universal nature of its work, and encourages UNFPA to further mobilize these resources while also continuing to mobilize supplementary resources for its thematic funds and programmes;

4. *Encourages* all Member States to maintain their core contributions and also encourages countries that are in a position to do so, to increase their contributions, to make multi-year pledges, and to make their contributions by the first half of the year in order to ensure effective programming;

5. *Notes* the trend towards the increased use of restrictively earmarked contributions, and looks forward to an in-depth discussion on this issue at the annual session 2013 of the Executive Board;

6. *Encourages* all programme-country governments that are in a position to do so to expand contributions to programmes in their own countries;

7. *Emphasizes* that UNFPA needs strong political and increased financial support, as well as predictable core funding, in order to enhance its assistance to countries to fully integrate the agenda of the International Conference on Population and Development into national development strategies and frameworks and achieve the internationally agreed development goals, especially Millennium Development Goals 3, 4, 5 and 6.

29 June 2012

2012/16
Annual report of the Executive Director, UNOPS

The Executive Board

1. *Takes note of* the annual report of the Executive Director (DP/OPS/2012/4) and its annexes;

2. *Welcomes* the significant contributions made by UNOPS, often in the most challenging environments, to the operational results of the United Nations and its partners;

3. *Encourages* UNOPS to further mainstream the national capacity development agenda in the competency areas where UNOPS has a mandate and a recognized comparative advantage, namely. project management, infrastructure and procurement, including through the use of local resources;

4. *Takes note of* the steps taken to benchmark UNOPS services and processes against best practice independent standards, and the success of those efforts, as validated by independent third-party certifications on corporate quality management and procurement;

5. *Notes with appreciation* the efforts of UNOPS to publish detailed data on all projects under implementation, in full compliance with the standards of the International Aid Transparency Initiative, and in geocoded format.

28 June 2012

2012/17

Request by Rwanda to present a draft common country programme document to the Executive Boards of UNDP/UNFPA/UNOPS, UNICEF and WFP

The Executive Board

1. *Recalls* its decisions 2001/11 and 2006/36 on the programming approval process;

2. *Notes* the request by Rwanda to present, on an exceptional basis, a draft common country programme document, incorporating a common narrative with an organization-specific results framework and related resource requirements, to the first regular session 2013 of the respective Executive Boards;

3. *Decides* to consider, on an exceptional basis, the draft common country programme document of Rwanda at the first regular session 2013 of the respective Executive Boards;

4. *Decides further* that the final common country programme document will be posted on the websites of the respective organizations no later than six weeks after the discussion at the respective Executive Boards;

5. *Emphasizes* that, in line with Executive Board decisions 2001/11 and 2006/36, the organization-specific component of the common country programme document will be approved, on a no-objection basis, without presentation or discussion, at the annual session 2013, unless at least five members have informed the respective secretariat, in writing before the session, of their wish to bring the final common country programme document before the Executive Board.

29 June 2012

2012/18
Reports of UNDP, UNFPA and UNOPS on internal audit and oversight activities in 2011

The Executive Board

With respect to UNDP:

1. *Takes note of* the report on internal audit and investigations in 2011 (DP/2012/13/Rev.1), the management response to that report, and the annual report of the Audit Advisory Committee;

2. *Expresses* its continuing support for strengthening the internal audit and investigation functions;

3. *Acknowledges and supports* the engagement of the Office of Audit and Investigations in initiating and coordinating joint audits of multi-partner trust funds, 'delivering as one' pilot and self-starter programmes and other joint activities, and furthermore encourages lessons learned from working collaboratively among United Nations organizations to be reflected in its joint work on audits, such as on the harmonized approach to cash transfers;

4. *Encourages* the Office of Audit and Investigations, in future annual reports, to highlight the positive aspects identified in the internal audits that have been undertaken, as well as to provide more explicit information on serious weaknesses identified by the internal audits, and urges UNDP to report on actions taken to address those weaknesses;

5. *Notes* the number of recurring recommendations on project management, procurement and human resources and urges UNDP to step up efforts to improve staff capacity and performance to improve this situation;

6. *Notes* the importance of the Office of Audit and Investigations for UNDP and, in this regard, encourages UNDP to ensure that the Office of Audit and Investigations has the level of resources, including staffing, to respond adequately to the needs for audit, investigation and advisory services;

With respect to UNFPA:

7. *Takes note of* the report of the Director of the Division for Oversight Services on internal audit and oversight activities in 2011 (DP/FPA/2012/9), the management response to that report, and the annual report of the Audit Advisory Committee and the management response thereto;

8. *Expresses* its continuing support for strengthening the oversight function;

9. *Notes* the number of outstanding recommendations from the previous reports of the Board of Auditors; welcomes the work undertaken by UNFPA to implement them, as well as the 15 recommendations of the Division for Oversight Services; and invites UNFPA to continue to act on those recommendations within its control;

10. *Invites* the Director, Division for Oversight Services, to reintroduce, in her forthcoming reports, information on the financial losses of UNFPA, as part of the reporting on financial misconduct;

11. *Notes* the importance of the Division for Oversight Services for UNFPA and, in this regard, encourages UNFPA to ensure that the Division for Oversight Services

has the level of resources, including staffing, to respond adequately to the needs for audit and advisory services;

With respect to UNOPS:

12. *Takes note of* the activity report of the Internal Audit and Investigations Group for 2011 (DP/OPS/2012/5), the management response to that report, and the annual report of the Strategy and Audit Advisory Committee;

13. *Takes note of* the progress made in implementing audit recommendations more than 18 months old;

With respect to UNDP, UNFPA and UNOPS:

14. *Supports* the commitment of UNDP, UNFPA and UNOPS to greater accountability and transparency;

15. *Recognizes* that the independence of the internal audit function and the transparency with respect to audits, financial reporting, risk management and internal controls strengthen accountability and increase public confidence;

16. *Decides* that the Directors of Internal Audit of UNDP, UNFPA and UNOPS will make publicly available the executive summaries of all internal audit reports issued after 30 June 2012;

17. *Decides* that the Directors of Internal Audit of UNDP, UNFPA and UNOPS will make publicly available all internal audit reports issued after 1 December 2012;

18. *Welcomes* the safeguards envisaged by UNDP, UNFPA and UNOPS in that regard;

19. *Decides* that, before disclosing an internal audit report that contains findings related to a specific Member State, the Director of Internal Audit will provide a copy of the report to the concerned Member State and provide the concerned Member State with adequate time to review and comment on the report, and, in this context, notes that where information contained in an internal audit report is deemed by the Administrator of UNDP, the Executive Directors of UNFPA and UNOPS or by the concerned Member State to be particularly sensitive (relating, inter alia, to third parties or to a country, government or administration); or as compromising pending action; or as being likely to endanger the safety and security of any individual, violate his or her rights or invade his or her privacy, such internal audit report may be redacted or withheld in its entirety at the discretion of the Director of Internal Audit;

20. *Requests* the Directors of Internal Audit of UNDP, UNFPA and UNOPS to include in their annual reports to the Executive Board the titles of all internal audit reports issued during the year and information on significant issues, if any, related to the public disclosure of internal audit reports, and to include in their 2014 annual reports an analysis of experience gained from public disclosure to date.

28 June 2012

2012/19
Reports of the ethics offices of UNDP, UNFPA and UNOPS

The Executive Board

1. *Takes note of* the reports of the ethics offices of UNDP, UNFPA and UNOPS (DP/2012/14, DP/FPA/2012/10 and DP/OPS/2012/6);

2. *Recognizes* that the ethics offices contribute to fostering a culture of ethics, integrity and accountability in the organizations, and, in this regard, notes with appreciation the efforts of the ethics offices in setting standards and in providing policy support, training, education and outreach, guidance and advice, protection against retaliation, and review of financial disclosure statements;

3. *Welcomes* the participation of the ethics offices of UNDP, UNFPA and UNOPS in the United Nations Ethics Committee and in the Ethics Network of Multilateral Organizations, and notes with appreciation the contribution to system-wide collaboration and the development of a harmonized set of standards, policies and practices;

4. *Encourages* the management of UNDP, UNFPA and UNOPS to further strengthen the functions of their ethics offices in their respective organizations, to implement the recommendations to management to strengthen an organizational culture of integrity and compliance, and to provide sufficient resources for them to carry out their programmes of work;

5. *Looks forward to* the consideration of future annual reports of the ethics offices of the three organizations, pursuant to decision 2010/17, particularly trends in mandated activities, and recommendations to management to strengthen an organizational culture of integrity and compliance;

6. *Looks forward to* UNDP, UNFPA and UNOPS management responses to future annual reports of their respective ethics offices, including concrete initiatives to address the recommendations contained in the reports.

28 June 2012

2012/20
Overview of decisions adopted by the Executive Board at its annual session 2012

The Executive Board

Recalls that during its annual session 2012, it:

Item 1
Organizational matters

Approved the agenda and workplan for its annual session 2012 (DP/2012/L.2);

Approved the report of the first regular session 2012 (DP/2012/5 and DP/2012/5/Add.1);

Agreed to the following schedule of future sessions of the Executive Board in 2012:

Second regular session 2012: 4 to 10 September 2012;

Adopted the tentative workplan for the second regular session 2012 of the Executive Board;

UNDP segment

Item 2
Annual report of the Administrator

Adopted decision 2012/9 on the annual report of the Administrator on the strategic plan: performance and results for 2011;

Took note of the report of UNDP on the recommendations of the Joint Inspection Unit in 2011 (DP/2012/7/Add.1);

Took note of the statistical annex (DP/2012/7/Add.2);

Item 3
Funding commitments to UNDP

Adopted decision 2012/10 on the status of regular resources funding commitments to UNDP and its funds and programmes for 2012 and onwards;

Item 4
Human Development Report

Took note of the update on the Human Development Report preparations and consultations (DP/2012/9);

Item 5
Country programmes and related matters (UNDP)

Adopted decision 2012/11 on UNDP assistance to Myanmar;

Adopted decision 2012/17 on the request by Rwanda to present a draft common country programme document to the Executive Boards of UNDP/UNFPA/UNOPS, UNICEF and WFP;

Took note of the first one-year extensions of the country programmes for Bhutan, Cuba, Guinea-Bissau, Mali, Mexico, Nigeria and Togo, and the six-month extension of the country programme for Rwanda (DP/2012/10/Rev.1 and DP/2012/10/Add.1);

Approved the two-year extensions of the country programmes for Colombia, Comoros and Kuwait (DP/2012/10/Rev.1 and DP/2012/10/Add.1);

Approved the second one-year extensions of the country programmes for Namibia and Tunisia (DP/2012/10/Rev.1);

Took note of the following draft country programme documents and the comments made thereon:

Africa

Draft country programme document for Guinea (DP/DCP/GIN/2);
Draft country programme document for Lesotho (DP/DCP/LSO/2);
Draft country programme document for Mauritius (DP/DCP/MUS/3);
Draft country programme document for Sierra Leone (DP/DCP/SLE/2);

Arab States

Draft country programme document for Djibouti (DP/DCP/DJI/2);
Draft country programme document for Jordan (DP/DCP/JOR/2);

Asia and the Pacific

Draft country programme document for India (DP/DCP/IND/2);
Draft country programme document for Malaysia (DP/DCP/MYS/2);
Draft country programme document for Sri Lanka (DP/DCP/LKA/2);

Europe and the Commonwealth of Independent States

Draft country programme document for the Republic of Moldova (DP/DCP/MDA/2);

Latin America and the Caribbean

Draft country programme document for Belize (DP/DCP/BLZ/2);
Draft country programme document for Bolivia (Plurinational State of) (DP/DCP/BOL/2);
Draft country programme document for Costa Rica (DP/DCP/CRI/2);

Item 6
United Nations Capital Development Fund (UNCDF)

Adopted decision 2012/12 on the report on results achieved by UNCDF in 2011;

Item 7
United Nations Volunteers

Adopted decision 2012/13 on United Nations Volunteers: report of the Administrator;

UNFPA segment

Item 8
Annual report of the Executive Director

Adopted decision 2012/14 on the report of the Executive Director for 2011: progress in implementing the UNFPA strategic plan, 2008-2013;

Item 9
Funding commitments to UNFPA

Adopted decision 2012/15 on the report on contributions by Member States and others to UNFPA, and revenue projections for 2012 and future years;

Item 10
Country programmes and related matters (UNFPA)

Adopted decision 2012/17 on the request by Rwanda to present a draft common country programme document to the Executive Boards of UNDP/UNFPA/UNOPS, UNICEF and WFP;

Approved the two-year country programme extensions for Colombia (DP/FPA/2012/14) and Comoros (DP/FPA/2012/11);

Approved the second one-year country programme extensions for the Syrian Arab Republic and Tunisia (DP/FPA/2012/12);

Approved the third one-year country programme extension for Namibia (DP/FPA/2012/11);

Took note of the first one-year country programme extensions for Bhutan (DP/FPA/2012/13), Cuba (DP/FPA/2012/14), Guinea-Bissau (DP/FPA/2012/11 (Add.1), Mali (DP/FPA/2012/11 (Add.1), Mexico (DP/FPA/2012/14), Nigeria (DP/FPA/2012/11) and Togo (DP/FPA/2012/11), as well as the six-month country programme extension for Rwanda (DP/FPA/2012/11);

Took note of the following draft country programme documents and the comments made thereon:

Africa

Draft country programme document for Guinea (DP/FPA/DCP/GIN/7);
Draft country programme document for Lesotho (DP/FPA/DCP/LSO/6);
Draft country programme document for Sierra Leone (DP/FPA/DCP/SLE/5);

Arab States

Draft country programme document for Djibouti (DP/FPA/DCP/DJI/4);
Draft country programme document for Jordan (DP/FPA/DCP/JOR/8);

Asia and the Pacific

Draft country programme document for India (DP/FPA/DCP/IND/8);
Draft country programme document for Nepal (DP/FPA/DCP/NPL/7);
Draft country programme document for Pacific Island countries and territories (DP/FPA/DCP/PIC/5);
Draft country programme document for Sri Lanka (DP/FPA/DCP/LKA/2);

Eastern Europe and Central Asia

Draft country programme document for the Republic of Moldova (DP/FPA/DCP/MDA/2);

Latin America and the Caribbean

Draft country programme document for Bolivia (Plurinational State of) (DP/FPA/DCP/BOL/5);
Draft country programme document for Costa Rica (DP/FPA/DCP/CRI/4);

UNOPS segment

Item 11
United Nations Office for Project Services

Adopted decision 2012/16 on the annual report of the Executive Director;

Joint segment

Item 12
Internal audit and oversight

Adopted decision 2012/18 on the reports of UNDP, UNFPA and UNOPS on internal audit and oversight activities in 2011;

Item 13
Reports of the ethics offices of UNDP, UNFPA and UNOPS

Adopted decision 2012/19 on the reports of the ethics offices of UNDP, UNFPA and UNOPS;

Item 14
Other matters

Held the following briefings and consultations:

UNDP

Informal consultation on: (a) lessons learned from annual reporting relevant to the design of the next UNDP strategic plan, 2014-2017, and the results framework; (b) oral briefing on the road map for implementing Executive Board decision 2011/14;

UNOPS

Informal consultation on the midterm review of the UNOPS strategic plan, 2010-2013;

UNDP/UNFPA

Joint informal consultation on the UNDP annual report on evaluation and on the UNFPA biennial report on evaluation.

29 June 2012

2012/21
Annual review of the financial situation, 2011

The Executive Board

1. *Takes note of* documents DP/2012/17 (Corr.1 and Corr.2) and DP/2012/17/Add.1;

2. *Notes* the slight increase in regular resources, which are necessary for UNDP to fulfil its mandate adequately, to effectively support the development agenda of partner countries, and to provide an adequate and secure regular funding base;

3. *Urges* Member States to support UNDP in reaching its regular resources targets and to commit, as early as possible, contributions to UNDP regular resources for 2012 and onwards, if possible through multi-year pledges;

4. *Recalls* the importance of funding predictability and the timeliness of payments to avoid liquidity constraints in regular resources.

10 September 2012

2012/22
UNDP and UNFPA draft country programme documents for Eritrea

The Executive Board

1. *Recalls* its decisions 2001/11 and 2006/36 on the programming approval process;

2. *Notes* the request by Eritrea to present, on an exceptional basis, the UNDP and UNFPA draft country programme documents to the first regular session 2013 of the Executive Board;

3. *Decides* to review and approve, on an exceptional basis, the UNDP and UNFPA draft country programme documents for Eritrea at the first regular session 2013 of the Executive Board.

10 September 2012

2012/23
Evaluation (UNDP)

(a) Annual report on evaluation and the management response;

(b) Evaluation of the UNDP contribution to strengthening electoral systems and processes and the management response; and

(c) Evaluation of UNDP partnership with global funds and philanthropic foundations and the management response.

The Executive Board

1. *Notes with appreciation* the activities of the Evaluation Office, in collaboration with other offices within UNDP, to build a culture of evaluation in UNDP, and to enhance the capacity, efficiency and effectiveness of the Evaluation Office; and encourages the Evaluation Office to build on this success to continue to enhance the learning and programme-improvement processes in UNDP;

2. *Further notes with appreciation* the efforts of management to prepare the management responses, and requests management, in its future responses, to state the concrete plans, actions and timeline to address the issues raised in the evaluation reports;

With regard to the annual report on evaluation (DP/2012/20), *and the management response thereto, the Executive Board*:

3. *Takes note of* the report and the management response, and welcomes the user-friendly format of the report;

4. *Requests* the Evaluation Office to adopt, in future reports, a more analytical approach that reflects evaluation trends over the years, including the measures taken and the progress made in strengthening the culture of evaluation in UNDP;

5. *Requests* UNDP to address the issues raised by the independent evaluations, especially with regard to ensuring more programmatic focus and more sustainability in development results, and taking steps to improve its programme and management efficiency;

6. *Further requests* UNDP to ensure that lessons learned and key findings of evaluation activities are taken into account during the preparation of the next strategic plan, 2014-2017;

7. *Notes with concern* the low compliance of country programmes with planned evaluations during the programme period, and further notes with concern that the quality of many of the decentralized evaluations remains low;

8. *Requests* management to take immediate action to improve the compliance rate and the quality of decentralized evaluations, and to establish a system to hold programme managers at all levels accountable for meeting all evaluation requirements;

9. *Also requests* UNDP, in cooperation with other United Nations organizations, to continue its support to national evaluation capacity development in a systematic manner, establishing measurable objectives, prioritized areas, and relevant, cost-effective approaches;

10. *Further requests* management to ensure that a management response is provided to decentralized evaluations in all regions;

11. *Approves* the revised programme of work for 2012 proposed by the Evaluation Office and the proposed programme of work for 2013;

With regard to the report on evaluation of the UNDP contribution to strengthening electoral systems and processes (DP/2012/21) *and the management response thereto* (DP/2012/22), *the Executive Board*:

12. *Takes note of* the report and the management response;

13. *Notes* UNDP electoral-support work in countries where Governments have requested this type of collaboration; and requests management to address the findings, conclusions and recommendations of the report (DP/2012/21) in those countries where electoral support is needed, according to national priorities, and is provided in collaboration with national authorities, in particular:

(a) To enhance the impartiality of country offices in providing electoral support and assistance, as identified in paragraph 17 of the report;

(b) To continue to support United Nations electoral assistance through UNDP development work and through collaboration with other relevant United Nations organizations in the application of the United Nations electoral assistance policy framework, as identified in paragraph 18 of the report;

(c) To institutionalize the use of electoral assistance policies and best practices in country offices, as identified in paragraph 19 of the report;

(d) To systemically use, at country level, best practices, institutional policies and analytical tools that UNDP has developed in the area of electoral assistance;

(e) To explore ways to ensure that electoral assistance is grounded in a broader democratic governance framework, in line with the recommendation in paragrapn 43 of the report;

With regard to the report on the evaluation of UNDP partnership with global funds and philanthropic foundations (DP/2012/23), *and the management response thereto* (DP/2012/24), *the Executive Board*:

14. *Takes note of* the report and the management response;

15. *Requests* UNDP to ensure that its engagement with partners and funding mechanisms is aligned with its strategic priorities as stipulated in the UNDP strategic plan;

With regard to the three above-mentioned reports, the Executive Board:

16. *Requests* management to update the Executive Board on progress in implementing this decision and the key actions contained in the management responses, and to submit a report on the implementation of the evaluation recommendations to the second regular session 2013 of the Executive Board.

10 September 2012

2012/24
UNOPS — Midterm review of the strategic plan, 2010-2013

The Executive Board

1. *Takes note of* the significant contributions made by UNOPS to the operational results of the United Nations and its partners during the 2010-2011 biennium, and of the management results achieved during the same period;

2. *Welcomes* the proposed focus for the execution of its strategic plan, 2010-2013;

3. *Further welcomes* the consultative approach taken by UNOPS in conducting the midterm review of its strategic plan, 2010-2013;

4. *Encourages* UNOPS to hold consultations with the Executive Board in preparation for the new strategic plan, 2014-2017;

5. *Endorses* the midterm review of the strategic plan, 2010-2013, that highlights the enhanced focus of UNOPS, which seeks to maximize its comparative advantage and reduce overlap and duplication with the mandates of partner organizations;

6. *Appreciates* the increased emphasis on national capacity development and sustainable approaches to project management, procurement and infrastructure.

10 September 2012

2012/25
UNOPS — Annual statistical report on the procurement activities of the United Nations system, 2011

The Executive Board

1. *Takes note of* the annual statistical report on the procurement activities of the United Nations system, 2011 (DP/OPS/2012/8);

2. *Welcomes* the data presentation and analysis contained therein, as well as the relevance of the thematic supplement;

3. *Encourages* UNDP, UNFPA and UNOPS to enhance collaboration, with the involvement of other partner organizations, where possible, in order to realize the full potential of joint procurement activities;

4. *Calls upon* UNDP, UNFPA and UNOPS to cooperate at all levels (country, subregional, regional and headquarters), respecting each other's comparative advantages and mandates, in order to achieve better value for money through improved cost control and increased operational efficiencies and economies of scale, and to jointly report to the Executive Board at its second regular session 2013 on progress made thereon, including an analysis of opportunities and challenges of joint procurement activities;

5. *Encourages* UNDP, UNFPA and UNOPS to harmonize their procurement policies and procedures with a view to strengthening collaboration in procurement for the benefit of programme countries.

10 September 2012

2012/26

Evaluation (UNFPA)

(a) Biennial report on evaluation; and

(b) Review of the UNFPA evaluation policy

The Executive Board

1. *Takes note of* the biennial report on evaluation (DP/FPA/2012/8) and the management response thereto;

2. *Welcomes* the transparency of UNFPA in presenting the progress made as well as the issues affecting the evaluation function at UNFPA;

3. *Notes* the findings of the 2012 quality assessment of decentralized country-programme evaluations; further notes that UNFPA has made efforts to improve the quality of evaluations; and stresses the need to ensure a stable methodology for the evaluation quality assessment system;

4. *Acknowledges* the steps taken by UNFPA to improve the coverage and quality of decentralized country-programme evaluations, the use of evaluative evidence, and the efforts made to ensure that such evaluations are used to inform the next country programme cycle;

5. *Recognizes* the progress made towards systematic management responses and follow-up, and calls upon UNFPA to ensure the systematic implementation of management responses to evaluations;

6. *Requests* that future biennial reports on evaluation to the Executive Board address the findings and recommendations of evaluations, as called for in decision 2009/18;

7. *Takes note of* the biennial evaluation plan, 2012-2013;

8. *Takes note of* the review of the UNFPA evaluation policy by the United Nations Office of Internal Oversight Services and the management response thereto;

9. *Recalls* Executive Board decision 2009/18, which approved the UNFPA evaluation policy and made specific additional requests to UNFPA with regard to the evaluation function;

10. *Acknowledges* the progress made so far to enhance evaluation in UNFPA and appreciates the transparent manner in which it has conducted consultations with the

Executive Board on this matter, and welcomes the commitment and the leadership of the Executive Director, UNFPA, in addressing the identified challenges and gaps in the evaluation function, and in championing a culture of evaluation within UNFPA;

11. *Acknowledges* the steps taken by UNFPA to enhance the evaluability of programmes through improved results-based programming and monitoring systems, and stresses the need for further efforts, and in this regard, welcomes the commitment of UNFPA to developing corporate-wide guidelines and tools to consistently monitor results;

12. *Welcomes* the commitment of UNFPA to ensure alignment of the evaluation function with the norms and standards of the United Nations Evaluation Group and international best practices, including those of other United Nations funds and programmes;

13. *Emphasizes* the importance of global, thematic and other strategic evaluations as a basis for strategic discussions in the Executive Board;

14. *Requests* UNFPA to revise its evaluation policy and consider different options and models for the institutional set-up of the evaluation function, and while doing so to:

(a) Further clarify the purpose of independent evaluations and embedded evaluations, respectively;

(b) Ensure that the core evaluation tasks as specified in the chapter on the institutional framework and management of the evaluation function of the United Nations Evaluation Group, Standards for Evaluation in the United Nations System, are managed by a central independent evaluation body;

(c) Ensure the independence of the central evaluation body, with regard to, inter alia, accountability, reporting lines and a separate budget line, bearing in mind the specific purpose and methodology of evaluation;

(d) Ensure the alignment of evaluation planning and activities with the UNFPA strategic plan;

(e) Strengthen the strategic planning of evaluation, and hold timely consultations with the Executive Board on evaluation priorities;

15. *Looks forward to* the presentation by UNFPA of a revised evaluation policy no later than at the annual session 2013, and welcomes the intention of UNFPA to provide a road map to this end, including information on the timeline and planned consultations with the Executive Board;

16. *Notes* that sufficient human and financial resources should be allocated to both independent and embedded evaluations when developing the upcoming draft integrated budget.

10 September 2012

2012/27
Road map towards an integrated budget, beginning 2014

(a) Joint UNDP, UNFPA and UNICEF review of the impact of cost definitions and the classification of activities on harmonized cost-recovery rates;

(b) Joint UNDP, UNFPA and UNICEF note on steps taken towards the integrated budget and the mock-up of the integrated budget.

The Executive Board

1. *Recalls* the principle of full cost recovery as stipulated in General Assembly resolution 62/208, as well as the principle of avoiding the use of core resources to cover costs related to the management of non-core funds and their programme activities, as stipulated in General Assembly resolution 64/289 on system-wide coherence;

2. *Notes* that UNDP, UNFPA and UNICEF have different business models and mandates, and that this implies that their funding structures differ;

3. *Takes note of* the proposed harmonized conceptual framework for cost recovery, and appreciates the efforts to develop a simple, transparent and harmonized calculation methodology for cost-recovery rates;

4. *Further notes* that in the harmonized conceptual framework, costs should be defined and funded in line with the cost categories approved by the respective Executive Boards, and also notes that no distinction is made between fixed indirect costs and variable indirect costs;

5. *Requests* UNDP and UNFPA, in consultation with the United Nations Children's Fund and the United Nations Entity for Gender Equality and the Empowerment of Women, to further develop the harmonized conceptual framework and calculation methodology for cost-recovery rates to enable the Executive Board to take a decision on cost-recovery rates at its first regular session 2013;

6. *Requests* UNDP and UNFPA to provide to the Executive Board during the last trimester of 2012, in order to enable it to adopt a decision on cost-recovery rates at its first regular session 2013, further information, including organization-specific information, on the following:

(a) Critical cross-cutting functions, their funding, and the implications for cost-recovery rates;

(b) The way development effectiveness will be directly funded from core and non-core resources and the consequences for cost-recovery rates;

(c) The comparable and non-comparable special-purpose activities and associated costs, their funding, and the consequences for cost-recovery rates;

(d) The advantages and disadvantages of including or excluding United Nations development coordination activities in the cost-recovery calculation methodology and the consequences for cost-recovery rates;

(e) The transitional arrangements after the new cost-recovery rates are adopted;

(f) The way the new cost-recovery policy will help to achieve improved cost efficiency;

7. *Requests* UNDP and UNFPA to provide the Executive Board with an analysis for each respective organization of the following:

(a) Different scenarios of harmonized versus organization-specific cost-recovery rates and their possible consequences and risks;

(b) The effects of differentiated rates — those taking into account different volumes of funds and the different nature of funds, including, inter alia, complex development situations with attendant increased risks, programme-country contributions and the degree of earmarking — on mobilizing core as well as non-core contributions and the kinds of non-core contributions;

8. *Notes* the guiding principles of the integrated budget contained in the joint note of UNDP, UNFPA and UNICEF on steps taken towards the integrated budget and the mock-up of the integrated budget;

9. *Encourages* the further alignment of each organization's integrated budget with its strategic plan, including the resource plan, results frameworks and the linking of resources to results;

10. *Looks forward to* receiving, at the first regular session 2013, the mock-up of the integrated resource plan with a harmonized presentation of the cost-recovery amount and information on its use;

11. *Decides* that the resource projections and the integrated budget for all cost categories will cover a four-year period, coinciding with the duration of each organization's strategic plan, and that the integrated budget will be reviewed together with the midterm review of each organization's strategic plan.

10 September 2012

2012/28
Programming arrangements, 2014-2017

The Executive Board

1. *Recalls* decision 2012/1 on the review of UNDP programming arrangements, 2008-2013;

2. *Takes note of* document DP/2012/25 and its corrigendum (DP/2012/25/Corr.1);

3. *Acknowledges* with appreciation the overarching assumption that the ongoing review of programming arrangements should not negatively affect its largest intended beneficiaries, i.e., the least developed countries and the low-income countries, as a large majority of their populations is affected by poverty, and poverty eradication continues to be a guiding focus of UNDP programming activities for 2014-2017;

4. *Acknowledges* the conceptual proposal provided by UNDP on global strategic presence, and requests UNDP to further elaborate possible policy options for global strategic presence, including physical presence in programme countries as requested in decision 2012/1, building on the elements discussed in paragraphs 11-14 of DP/2012/25;

5. *Takes note of* the analysis of the 'target for resource assignment from the core (TRAC)'-1 framework discussed in chapter E contained in DP/2012/25;

6. *Decides* to adopt the hybrid gross national income (GNI)-based eligibility option in combination with the streamlined TRAC-1 allocation model for the 2014-2017 TRAC-1 allocation framework, subject to the provisions of this decision;

7. *Endorses* the introduction of a four-year averaging approach for GNI per capita and a system of biennial updates, with the following stipulations:

(a) That a four-year approach for GNI per capita averaging be applied, with the average GNI per capita of the years 2008-2011 applied to the first two years of the new programming arrangements period, 2014-2015, and the average GNI per capita of the years 2010-2013 applied to the last two years of the new programming arrangements period, 2016-2017;

(b) That the biennial updates will apply at the midpoint of the four-year period of the programming arrangements, and that only two groups of countries, (i) and (ii) below, would be affected:

(i) Middle-income countries, during 2014-2015, that cross the net contributor country threshold at the biennial update will be considered transitional net contributor countries during 2016-2017, but will not have their TRAC-1 allocation adjusted; if they remain above the net contributor country threshold in 2018, they would be considered net contributor countries and be ineligible for TRAC-1 resources from 2018 onwards;

(ii) Transitional net contributor countries during 2014-2015 will become full net contributor countries during 2016-2017 if they remain above the net contributor country threshold at the biennial update; as such they will no longer receive TRAC-1 resources during 2016-2017;

(iii) For countries in all other categories, both TRAC-1 eligibility and TRAC-1 allocation levels will remain unchanged during the four-year programming arrangements period, 2014-2017;

8. *Endorses* the predictability parameters and a tiered approach for TRAC-1 allocations for countries, which, on the basis of a $700 million annual regular resources-funded programming base, would be applied as follows:

(a) For least developed countries, a minimum range of 70-80 per cent of the prior period TRAC-1 will be guaranteed with a minimum of $450,000 in those countries with a UNDP country office presence, and a minimum of $50,000 in those countries without a UNDP country office presence;

(b) For low-income countries, a minimum range of 55-65 per cent of the prior period TRAC-1 will be guaranteed with a minimum of $450,000 in those countries with a UNDP country office presence, and a minimum of $50,000 in those countries without a UNDP country office presence;

(c) For low-income countries that are transitioning to middle-income country status in 2014-2017, a minimum range of 55-65 per cent of the prior period TRAC-1 will be guaranteed with a minimum of $450,000 in those countries with a UNDP country office presence, and a minimum of $50,000 in those countries without a UNDP country office presence;

(d) For middle-income countries with a GNI per capita under the $6,660 threshold, a minimum range of 35-45 per cent of the prior period TRAC-1 will be guaranteed with a minimum of $350,000 in those countries with a UNDP country office presence, and a minimum of $50,000 in those countries without a UNDP country office presence;

(e) For middle-income countries with a GNI per capita above the threshold of $6,660, a $150,000 TRAC-1 allocation will be applied to those countries with a UNDP country office presence and a $50,000 TRAC-1 allocation will be applied to those without a UNDP country office presence;

9. *Requests* UNDP to hold consultations with Member States on the outstanding elements for allocating resources among all the TRAC mechanisms, the regional and global programmes, and other fixed budget lines, in order to present a draft proposal on these elements, taking into consideration the needs of the largest intended beneficiaries, as outlined in paragraph 3 above, for consideration and approval by the Executive Board at its first regular session 2013, in order to inform the development of the draft integrated budget and the preparation of the next UNDP strategic plan.

10 September 2012

2012/29
Overview of decisions adopted by the Executive Board at its second regular session 2012

The Executive Board

Recalls that during its second regular session 2012, it:

Item 1
Organizational matters

Adopted the agenda and workplan for the second regular session 2012 (DP/2012/L.3);

Adopted the report of the annual session 2012 (DP/2012/15);

Agreed to the following schedule of sessions of the Executive Board in 2013:

Election of the 2013 Bureau:	7 January 2013
First regular session 2013:	28 January to 1 February 2013
Joint meeting of the Executive Boards of UNDP/UNFPA/UNOPS, UNICEF, UN-Women and WFP:	4 February 2013
Annual session 2013:	3 to 14 June 2013 (New York)
Second regular session 2013:	3 to 6 September 2013 (dates to be confirmed)

Adopted the tentative workplan for the first regular session 2013 and reviewed the draft annual workplan for 2013 (DP/2012/CRP.2);

UNDP segment

Item 2
Financial, budgetary and administrative matters

Adopted decision 2012/21 on the annual review of the financial situation, 2011;

Item 3
Country programmes and related matters

Adopted decision 2012/22 on the UNDP and UNFPA draft country programme documents for Eritrea;

Approved the following final country programme documents on a no-objection basis, without presentation or discussion, in accordance with decisions 2001/11 and 2006/36:

Africa: Guinea, Lesotho, Mauritius and Sierra Leone;
Arab States: Djibouti and Jordan;
Asia and the Pacific: India, Malaysia and Sri Lanka;
Europe and the Commonwealth of Independent States: Republic of Moldova;
Latin America and the Caribbean: Belize, Bolivia (Plurinational State of) and Costa Rica;

Approved an additional six-month extension (January-June 2013) of the country programme for Egypt;

Approved the extension of the country programme for the Syrian Arab Republic, as contained in document DP/2012/28;

Took note of the following draft country programme documents and the organization-specific annex of the draft common country programme document for Pakistan, and the comments made thereon:

Africa

Draft country programme document for Cameroon (DP/DCP/CMR/2);
Draft country programme document for the Democratic Republic of the Congo (DP/DCP/COD/2);
Draft country programme document for Equatorial Guinea (DP/DCP/GNQ/2);
Draft country programme document for Liberia (DP/DCP/LBR/2);
Draft country programme document for South Africa (DP/DCP/ZAF/2);

Arab States

Draft country programme document for Libya (DP/DCP/LBY/2/Rev. 1);
Draft country programme document for the Sudan (DP/DCP/SDN/2);
Draft country programme document for the United Arab Emirates (DP/DCP/ARE/2);

Asia and the Pacific

Draft country programme document for Myanmar (DP/DCP/MMR/1);
Draft country programme document for Nepal (DP/DCP/NPL/2);
Draft country programme document for the Pacific Island countries and territories (DP/DSP/PIC/1);
Draft common country programme document for Pakistan (DP/DCCP/PAK/1);

Latin America and the Caribbean

Draft country programme document for Haiti (DP/DCP/HTI/2);
Draft country programme document for Nicaragua (DP/DCP/NIC/2);

Item 4
Evaluation

Adopted decision 2012/23 on evaluation (UNDP);

Item 11
Programming arrangements

Adopted decision 2012/28 on programming arrangements, 2014-2017;

UNFPA segment

Item 5
Country programmes and related matters

Adopted decision 2012/22 on the UNDP and UNFPA draft country programme documents for Eritrea;

Approved an additional six-month extension (January to June 2013) of the country programme for Egypt (DP/FPA/2012/15);

Approved the following final country programme documents on a no-objection basis, without presentation or discussion, in accordance with decisions 2001/11 and 2006/36:

> *Africa*: Guinea, Lesotho and Sierra Leone;
> *Arab States*: Djibouti and Jordan;
> *Asia and the Pacific*: India, Nepal, Pacific Island countries and territories, and Sri Lanka;
> *Eastern Europe and Central Asia*: Republic of Moldova;
> *Latin America and the Caribbean*: Bolivia (Plurinational State of) and Costa Rica;

Took note of the following draft country programme documents and the organization-specific annex of the draft common country programme document for Pakistan, and the comments made thereon:

Africa

Draft country programme document for Cameroon (DP/FPA/DCP/CMR/6);
Draft country programme document for the Democratic Republic of the Congo (DP/FPA/DCP/COD/4);
Draft country programme document for Equatorial Guinea (DP/FPA/DCP/GNQ/6);
Draft country programme document for Liberia (DP/FPA/DCP/LBR/4);
Draft country programme document for South Africa (DP/FPA/DCP/ZAF/4);

Arab States

Draft country programme document for the Sudan (DP/FPA/DCP/SDN/6);

Asia and the Pacific

Draft common country programme document for Pakistan (DP/FPA/DCCP/PAK/1);
Latin America and the Caribbean;
Draft country programme document for Haiti (DP/FPA/DCP/HTI/5);
Draft country programme document for Nicaragua (DP/FPA/DCP/NIC/8);

Item 6
Evaluation

Adopted decision 2012/26 on the evaluation (UNFPA);

UNOPS segment

Item 7
United Nations Office for Project Services

Adopted decision 2012/24 on the midterm review of the strategic plan, 2010-2013;

Adopted decision 2012/25 on the annual statistical report on the procurement activities of the United Nations system, 2011;

Joint segment

Item 8
Follow-up to the meeting of the UNAIDS Programme Coordinating Board

Took note of the report on the implementation of the decisions and recommendations of the Programme Coordinating Board of the Joint United Nations Programme on HIV/AIDS (DP/2012/26-DP/FPA/2012/18);

Item 9
Financial, budgetary and administrative matters

Adopted decision 2012/27 on the road map towards an integrated budget, beginning in 2014;

Item 10
Field Visits

Took note of the report of the joint field visit to Djibouti (DP-FPA-OPS/2012/CRP.1-E/ICEF/2012/CRP.17), as well as the report of the joint field visit to Ethiopia (DP-FPA-OPS/2012/CRP.2-E/ICEF/2012/CRP.19);

Held the following informal briefings and consultations:

UNDP

Informal consultation on the outline for the design for the cumulative review of the current UNDP strategic plan, 2008-2013;

UNFPA

(a) Informal consultation on the UNFPA strategic plan;

(b) Briefing on the review of the International Conference on Population and Development beyond 2014;

UNOPS

Informal consultation on the UNOPS midterm review of the strategic plan, 2010-2013, and the road map towards the strategic plan, 2014-2017;

UNDP, UNFPA, UNOPS and UNICEF

(a) Joint UNDP, UNFPA and UNOPS informal consultation on procurement;

(b) Joint UNDP, UNFPA and UNICEF informal consultation on the integrated budget and cost recovery;

(c) Joint UNDP, UNFPA and UNOPS informal consultation on human resources policies;

(d) Joint informal briefing on the report of the United Nations Board of Auditors for the biennium that ended 31 December 2011, for UNDP, UNFPA and UNOPS.

Annex II

Membership of the Executive Board in 2012

(Term expires on the last day of the year indicated)

African States: Burkina Faso (2012), Cameroon (2012); Democratic Republic of the Congo (2012), Djibouti (2013), Liberia (2014), Morocco (2014), Rwanda (2012), South Africa (2012).

Asian and Pacific States: Bangladesh (2013), China (2013), India (2012), Indonesia (2014), Pakistan (2012); Qatar (2012), Republic of Korea (2014).

Latin American and Caribbean States: Antigua and Barbuda (2012); Argentina (2013), Brazil (2014), El Salvador (2013), Nicaragua (2014).

Eastern European States: Belarus (2013), Czech Republic (2013), Estonia (2012), Russian Federation (2014).

Western European and other States (WEOG):* Australia, Canada, Denmark, Greece, Israel, Italy, Japan, Luxembourg, Norway, Sweden, Switzerland, United States.

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* WEOG has its own rotation schedule, which varies every year.

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